Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

Countertop microwaves sizzle in seventh annual major appliance survey

Factory outlet sales threat has local dealers up in arms

DIRECTORY 1982

GUIDE TO PRODUCTS, SERVICES & SUPPLIERS

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Aaron Neretin . . editorial and marketing consultant

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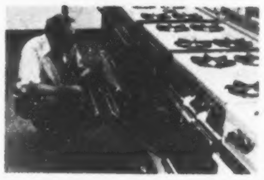

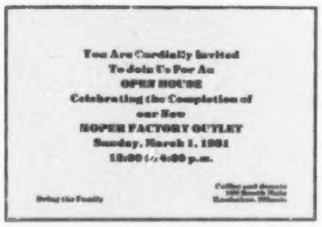

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Microwaves lead shipment gains; building sector slows other areas

Microwave ovens will, by far, lead the pack in appliance shipment increases this year, with a projected 26.3 percent gain over 1980's totals. Room air conditioners are also showing strength and should finish the year 8.1 percent ahead, while room-type air cleaners will boost their shipment numbers by 25 percent.

For the balance of major appliance categories, however, the results will be nothing to cheer about for the second year in a row. In fact, the best thing that can be said is that unit shipments did not suffer the severe declines reported in 1980. Yes, some categories like ranges and trash compactors did continue to lose ground, but others, like refrigerators, washers, dryers and dishwashers, showed at least minimal growth in unit shipments.

The combination of high interest rates and the resultant malaise of the housing market, plus consumers' cautious attitude about assuming further debt have continued to suppress major appliance sales at the retail level. Consequently, shipments from suppliers to retail outlets have been forced to drop as well.

Microwaves increase penetration

Microwave oven shipments show no signs of slowing as market saturation of this category is estimated to be only around 22 percent. Interest in the product continues to grow fast as consumers see more of these appliances in use in their neighbors' homes. In-store demonstrations and cooking classes also let consumers see the ovens in action and give them the chance to learn first-hand about the increased cooking versatility they provide.

In addition, as the work force adds more wives to its rosters, and as the affluent singles market boosts its numbers, there will be greater demand for time-saving appliances like microwaves.

The action continues to be in the more popularly-priced countertop models. New introductions now encompass features which used to appear only on the more costly units. Still, shipments in the expensive microwave/range combinations will show significant growth (almost 11 percent) this year.

A strong consumer interest in air purification enabled suppliers to boost shipments of room-type air cleaners to 75,000 units this year. Meanwhile, consumers' memories of a hot 1980 led pre-season sales of room air conditioners off to a soaring start. Early breaking heat waves kept cash registers ringing across the country from May through July. Sales were so strong that several manufacturers shipped virtually all their in-stock production by July. If they could have produced more quickly they could no doubt have increased the total number of shipments substantially above the 8.1 percent gain expected to be realized this year.

But production in room air conditioners, like all major appliance areas this year, was tempered by at least some degree of caution.

Retailers, concerned with the condition of the economy and their own lack of cash flow, plus the hardships of consumer financing and warehousing expenditures, bought their inventories close and tight. They bought, not on speculation, but rather what they thought they could sell.

By the same token, manufacturers, not about to get caught with large amounts of carryover into the 1982 season, produced to order, thereby resulting in lower numbers of shipments in some categories than might otherwise have been realized.

Housing slump continues

Continued high interest rates and a sluggish housing market remain the biggest drawbacks to increasing major appliance activity both at the wholesale and retail levels. As a result, shipments were down in several categories. Trash compactors will register a 10.7 percent decline this year. Built-in electric ranges will drop 5.3 percent. Central and duct-mount air cleaners will be 1.2 percent behind last year's totals.

And unfortunately, little real relief is anticipated in the near future. Industry spokesmen report that improvement in the interest rates would have a dramatic impact on activity levels in the housing sector. But, any improvement is expected to occur gradually. Estimated housing starts for 1981 are projected to be around 1.46 million, as compared to 1.29 million for 1980.

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Fortunately, however, most major appliances are now considered by consumers to be necessities, not luxury items. "When something breaks it needs to be replaced instantly," is the attitude of some. This was probably why some categories which are builder-related, like built-in dishwashers and refrigerators still showed a gain in total shipments, as did food waste disposers. Some of these sales were no doubt replacement purchases for those units installed during the housing boom of the early 70s.

What's more, sources project that a lot of appliances already in consumers' homes are about ready to break down. Basing estimates on an average 12-year lifespan for most appliances, industry spokesmen say that about 160 million units were sold during 1968 through 1972, and thereby will soon need to be replaced.

Lifestyle plays a part

Improved lifestyles also have an impact on what appliances are shipped. The number of households is increasing in the 25 to 44 year age bracket and is expected to reach 44.1 million by 1990.

Too, the workforce is expanding with people who have worked for some time, moving ahead in their careers with improving incomes. This, in turn, is anticipated to increase the replacement cycle for brands that are perceived to have higher quality and more features. Newer households are comprised of better-educated and higher-income consumers for whom microwave ovens, dishwashers and clothes dryers become basic to ownership.

As can be seen on the charts on the following pages, many of the units shipped do illustrate a trend toward increased demand for improved features. Washers are being shipped in greater numbers in large-capacity sizes, solid-state electronic controls are edging ahead and more dryers have automatic dry controls.

Consumers are buying more ranges with pilotless ignition, cleaning systems and plug-in options like grills and rotisseries.

Still, there remains a strong cautious attitude on consumers' part toward assuming further debt. Perhaps this explains the increase in the number of units shipped to the more popularly priced catalog chains in several categories such as dishwashers, disposers, microwaves, washers and dryers.

All of the information provided by our manufacturer sources was compiled and refined by the Gralla Publications Research Department, under the direction of Robert Leibson and with the help of Selma Book, research manager.

Nancy Markov
managing editor

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Air Treatment

Empty pipelines, heat wave push room air conditioners ahead 8.1%

Spurred by gains in room air conditioners and portable (room-type) air cleaners, the air treatment category should register a 6.3 percent total increase in shipments for 1981.

Room air conditioners will account for the lion's share of industry unit shipments increasing 8.1 percent to 3,445,000 units over 1980's figure of 3,187,000.

The strong selling season in 1980 cleared out what had been serious inventory backlogs of room air conditioners leaving manufacturers free to concentrate on filling the pipelines for 1981.

What most suppliers did not count on, however, was the bonus business reported by retailers during pre-season selling periods.

Consequently, by July, having emptied their warehouses, some suppliers reported an industry-wide shortage of goods. If they had been able to bounce back with increased production and shipments to meet the demand, there would have been an even greater gain in the units shipped for the year. But hampered by the long lead times necessary to produce compressors and other air conditioner parts, several were not in a position to ship additional units.

The initial production schedules had been tempered by the high cost of money, most suppliers finding it wise to produce largely to anticipated demand, not to stock.

This is because some manufacturers operate on the policy that they "own the goods until they are sold at retail," so they are cautious about what is shipped each season to avoid unnecessary carryover and finance charges at the retail level.

All sizes show strength

No major shifts in the size breakdowns of the units shipped are indicated. The under 7,000 Btu size will gain one percentage point for the year, up from 30 percent in 1980. The mid-sized units will lose one point, down from 29 percent, as will the 11,000 to 19,000 Btu range, down from 32 percent. Larger units, 20,000 Btu's, and over will represent 10 percent of the models shipped, a gain of one percentage point.

Over-the-counter, all sizes sold well. But, smaller units were often bought by consumers who had central systems to spot cool rooms, preferring to save on the operating costs of these larger units.

Regular room types remain the strongest category in room air conditioners, representing 89 percent of the units shipped, up two points from 1980. Casement and through-the-wall types of installation will each show a one point decline, down to four and seven percent respectively.

Suppliers are shipping fewer models at the lower end of the price spectrum. Units retailing for $150 to $250 will drop five percentage points to 27 percent. The $251 to $350 range is expected to gain one point to reach 26 percent. The $351 to $450 range and the $451 to $550 range will each gain two percentage points to reach 25 percent and 11 percent respectively.

E.E.R.'s raise retails

The growing emphasis on energy efficiency ratios (E.E.R.'s) has no doubt helped contribute to some of the price trade-ups of the units shipped. This feature reportedly adds from $20 to $100 to the retail price of a unit.

Retailers and manufacturers both have been boosting consumer awareness of the feature with p-o-p displays and in-store education programs. And, those consumers interested in saving money over the long run—not just at the time of the initial purchase—have been responding, say suppliers.

Air treatment, total factory shipments

	1981	1980	% of Change
Air Treatment, total	4,391,000	4,129,000	+6.3%
Air Conditioners, room	3,445,000	3,187,000	+8.1%
Air Cleaners, total	237,000	224,000	+5.8%
Portable (room type)	75,000	60,000	+25.0%
Central & duct mount	162,000	164,000	−1.2%
Dehumidifiers	709,000	718,000	−1.2%

Percent of room air conditioner shipments by installation types

	1981	1980
Regular	89%	87%
Casement	4%	5%
Through-the-wall	7%	8%

Percent of dehumidifier shipments by capacity

	1981	1980
15 pts. & under	9%	10%
16 - 29 pts.	60%	58%
30 pts. & over	31%	32%

Still, the demand for air conditioners in general has been so strong in 1981 that some say it has been hard to determine whether some of the more efficient units have been selling because of the E.E.R.'s or just because the unit is in-stock.

At the same time, however, seven states now have legislation which requires that the air conditioners sold meet minimum ratings of 7.5.

Meanwhile in the remaining 43 states, because initial investment is still a prime consideration with many customers, sales of energy-efficient models do not represent a significantly higher percentage overall of the units shipped in 1981. Units with high E.E.R.'s will account for 44 percent of the units shipped this year, an increase of three percentage points.

There is expected to be no real shift in the retail destinations of the room air conditioners shipped. Department stores will lose one percentage point, dropping to 16 percent. The discounters will gain one point, bringing their share to 27 percent.

Appliance/TV outlets will remain a major factor in the business, receiving 27 percent of the units shipped. The same holds true for the catalog chains which will receive 19 percent of the units.

Air cleaners gain

Reinforcing the strong market interest in air purification this year, portable air cleaners will show a significant jump of 25 percent to 75,000 units, up from the 60,000 shipped in 1980.

Central and duct-mounted units, on the other hand, will show a decline of 1.2 percent, dropping from 164,000 units to 162,000 this year. But then this category, moreso than the other air treatment areas, is directly dependent on the housing market for strong sell-throughs.

Dehumidifier shipments will also decline this year from 718,000 units to 709,000, a 1.2 percent drop. Of the units shipped, 60 percent fell in the mid-range (16- to 29-pt.) capacity, a gain of two percentage points. Both the small capacity models (15 pts. and under) and large-capacity units (30 pts. and over) will each lose a percentage point.

Appliance/TV stores and discount operations will each gain a percentage point in the number of units shipped to them, jumping to 28 and 21 percent respectively. A drop will be registered for department stores, down one point to 19 percent, and for furniture stores, down one point to five percent.

Percent of room air conditioner shipments by size

	1981	1980
Under 7,000 Btu's	31%	30%
7,000 - 10,000 Btu's	28%	29%
11,000 - 19,000 Btu's	31%	32%
20,000 Btu's and over	10%	9%

Percent of air conditioner shipments by price range

	1981	1980
Under $150	2%	2%
$150 - $250	27%	32%
$251 - $350	26%	25%
$351 - $450	25%	23%
$451 - $550	11%	9%
$551 - $650	5%	5%
$651 - $750	2%	2%
Over $750	2%	2%

Percent of room air conditioner shipments by E.E.R.

	1981	1980
High (7.5 and over)	44%	41%
Low (under 7.5)	56%	59%

Percent of dehumidifier sales by type of outlet

	1981	1980
Appliance/TV store	28%	27%
Catalog store (Sears, Penneys, etc.)	25%	25%
Catalog showroom	1%	1%
Department store	19%	20%
Discount store	21%	20%
Furniture store	5%	6%
Home improvement center	1%	1%

Percent of room air conditioner sales by type of outlet

	1981	1980
Appliance/TV store	27%	27%
Builder/contractor	4%	4%
Catalog store (Sears, Penneys, etc.)	19%	19%
Catalog showroom	3%	3%
Department store	16%	17%
Discount store	27%	26%
Furniture store	2%	2%
Home improvement center	1%	1%
Kitchen remodeler	1%	1%

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Cleanup

Built-in dishwashers, waste disposers sell to replacement market

Shipments of cleanup appliances, particularly dishwashers, have always been dependent on a strong builders' market and have suffered with the slump of new housing starts. Consequently, with this business still far from healthy, the cleanup category is expected to show only a minimal gain in shipments of 1.6 percent to 5,932,000 units over 1980's total of 5,840,000.

Total shipments of dishwashers are expected to drop 2.4 percent from 2,721,000 units last year to 2,656,000. But the severest cut will be a 12.5 percent drop in portable units to 344,000 units.

While a significant share of built-in shipments are stimulated by housing starts, this category will drop only slightly—0.7 percent from 2,328,000 to 2,312,000 units this year. Some of the built-in category's stability is evidently due to efforts by some retailers to go more aggressively after this market. Offering services such as free installation, many have boosted sales in this category for 1981.

Replacement units sold

A lot of the dishwashers to be shipped this year will be purchased as replacement units for models bought during the housing boom of the early 70s. Once a consumer has become accustomed to the time-saving convenience of a dishwasher, he no longer considers it a luxury item, but rather a necessity to be replaced as needed.

Souped-up features on some dishwashers have also stimulated activity as consumers become increasingly energy conscious. Features like reduced cycle times and reduced water usage are available. Many of the units shipped allow for air drying so that the heating element can be turned off to conserve energy.

And consumers can now turn their home's water heater to a lower setting but still be assured that the dishwasher will operate at a 140° to 150° water temperature. In addition, better insulation enables models to retain more heat, while limiting noise.

Even so, not all consumers are trading up to top-of-the-line models. Most of the volume continues to be done in mid-priced units and 44 percent of the built-in units shipped this year will retail between $300 and $399. On the other hand, of the portable units shipped more will be at higher retails. Twenty-three percent will retail for over $400, a jump of 12 percentage points over 1980.

Builders lose share

Units shipped to the builder/contractor market declined six percentage points to 31 percent this year, reflecting the malaise of the housing market.

Picking up the slack will be appliance/TV outlets and the catalog chains. Appliance/TV stores will be sent 25 percent of the dishwashers shipped, a gain of four percentage points. Catalog chains will gain two percentage points to reach 22 percent.

Dishwashers are the only appliances which do not share the distinction of having almond as the number one color shipped. Instead, multicolor panel packages rate first and will improve their showing from 38 percent to 44 percent this year. Their popularity has increased because they allow the consumer to change coloration at will to complement his current kitchen decor. And on some models, consumers get as many as four choices (one color on each side of two reversible panels) for maximum flexibility.

Almond will remain the second most popular coloration at 21 percent. White is expected to drop two percentage points from 13 to 11 percent of the units shipped. Coffee, harvest gold and wheat will each lose one percentage point.

Cleanup appliances total factory shipments

	1981	1980	% of Change
Cleanup appliances total	5,932,000	5,840,000	+ 1.6%
Dishwashers, total	2,656,000	2,721,000	− 2.4%
Portable	344,000	393,000	− 12.5%
Built-in	2,312,000	2,328,000	− 0.7%
Food waste disposers	3,067,000	2,885,000	+ 6.3%
Trash compactors	209,000	234,000	− 10.7%

Percent of built-in dishwasher shipments by price range

	1981	1980
Under $250	12%	13%
$250 - $299	21%	24%
$300 - $349	27%	27%
$350 - $399	17%	16%
$400 - $450	14%	13%
Over $450	9%	7%

Percent of dishwasher sales by type of outlet

	1981	1980
Appliance/TV store	25%	21%
Builder/contractor	31%	37%
Catalog store (Sears, Penneys, etc.)	22%	20%
Department store	4%	4%
Discount store	8%	8%
Furniture store	1%	1%
Home improvement center	1%	1%
Kitchen remodeler	8%	8%

Waste disposers gain

Food waste disposers are showing strength this year and should register a 6.3 percent gain to 3,067,000 units shipped. As with dishwashers, many of the units installed during the housing boom of the 70s may have needed replacement, as these items too have become more of a convenience rather than a luxury in many households.

There will be significant shifts in which retail outlets will receive those units shipped this year. Appliance/TV dealers will drop two percentage points to 10 percent, a loss which will be picked up by the catalog chains to boost them to 15 percent. What's surprising, considering the current emphasis on fixing up the home, is that kitchen remodelers lost two percentage points, dropping to 12 percent.

But in keeping with the new housing slump fewer units will be shipped to builder/contractors. They are expected to decline seven percentage points to 32 percent. Plumbing contractors, on the other hand, should fare well with a gain of five points to 19 percent of the units shipped.

Department stores will receive three percent of the units shipped, a gain of one point; home improvement centers will gain three points to reach nine percent.

Trash compactors decline

Trash compactors is a category which is considered by some in the industry to be a postponable purchase in uncertain economic times. And total shipments would seem to bear this out as compactors are expected to register a 10.7 percent drop this year from 234,000 units to 209,000.

As with food waste disposers, the units shipped to the various outlets shifted to reflect the slow building trade. Builder/contractors will receive shipments three percentage points below what they received in 1980, dropping to 22 percent. Department stores also lost ground, dropping to 13 percent.

The popularly-priced catalog chains will take in 26 percent of the units shipped, a gain of six percentage points. And home improvement centers will increase one percentage point to reach two percent.

Almond is gaining strength as the key coloration in compactors increasing three percentage points to 39 percent for 1981. Wheat is also showing strength in unit shipments, increasing from nine to 11 percent.

Percent of dishwashers shipped with energy-saving cycles

	1981	1980
Energy-saving cycles	90%	88%

Percent of portable dishwashers shipped by price range

	1981	1980
Under $250	15%	18%
$250 - $299	21%	28%
$300 - $349	26%	31%
$350 - $400	15%	12%
Over $400	23%	11%

Percent of food waste disposer sales by type of outlet

	1981	1980
Appliance/TV store	10%	12%
Builder/contractor	32%	39%
Catalog store (Sears, Penneys, etc.)	15%	13%
Department store	3%	2%
Home improvement center	9%	6%
Kitchen remodeler	12%	14%
Plumbing contractor	19%	14%

Percent of dishwasher shipments by color

	1981	1980
Almond	21%	21%
Avocado	2%	2%
Coffee	2%	3%
Coppertone	1%	1%
Harvest gold	2%	3%
Wheat	4%	5%
White	11%	13%
Wood grain	4%	4%
Multicolor panel packages	44%	38%
Other	9%	10%

Percent of trash compactor shipments by color

	1981	1980
Almond	39%	36%
Avocado	5%	6%
Coffee	6%	6%
Coppertone	1%	2%
Harvest gold	7%	8%
Wheat	11%	9%
White	30%	31%
Wood grain	1%	2%

Percent of trash compactor sales by type of outlet

	1981	1980
Appliance/TV store	25%	26%
Builder/contractor	22%	25%
Catalog store (Sears, Penneys, etc.)	26%	20%
Catalog showroom	2%	2%
Department store	13%	16%
Discount store	3%	3%
Home improvement center	2%	1%
Kitchen remodeler	7%	7%

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Laundry

Most consumers still forego added features in washers and dryers

Since their category is not as dependent on the builders' market as are other appliance areas, home laundry suppliers are counting on replacement sales and customer step-ups to fully-featured models to pace washer and dryer activity this year.

But growth in these categories is expected to be minimal. Shipments will rise 1.2 percent this year to 7,749,000, up from 7,660,000 units in 1980.

The bulk of washer shipments falls in the automatic and semi-automatic category (25 in. or more in width), which is expected to move ahead 1.6 percent this year as shipments reach 4,188,000 units.

Total dryers will gain slightly in the number of units shipped, up 0.7 percent to 3,163,000.

Although washers and dryers are often sold in pairs, washers are no doubt the appliance most in demand. Although considered by most homeowners to be a necessity, purchases of dryers can be more easily postponed in times of economic unrest or when climatic conditions permit. But, say suppliers, "when the washer breaks the consumer has no choice but to go out and buy."

And when they do buy, capacity is a factor. Most of the units shipped this year will fall in the 18-lb. capacity range. This segment will show a two percentage point gain, climbing from 46 to 48 percent.

Energy-savers gain slowly

Energy-saving features are also becoming more evident on washers. Electronic solid state controls edged up slightly to five percent (a one point gain) of the units shipped.

Other energy-saving features available include adjustable water levels and load controls to save water, as well as cold-rinse options.

Since washers are usually replacement sales, not factors in kitchen remodeling, consumers often tend to be satisfied with the more basic models. Because these appliances tend to be relegated to the basement or garage, the consumer may feel this is an excellent appliance on which to save money. If it cleans the clothes, the extra features are not really necessary, they say.

Consumers, therefore, often willing to forego those controls which enable them to program the machines to perform specialized functions like picking agitator and spin speeds or rinse temperatures at the touch of a button.

And although washers are equipped with the yellow tags stating the estimated annual operating costs, this is a product category where energy conservation is of lesser concern than it is in dishwashers and refrigerators.

This is partly due to the fact that washers, unlike refrigerators, are not used on a daily basis by most consumers. Also, say some in the industry, there are more variables to be considered in the accurancy of those estimates for washers. The cost of operating the appliance can be easily adjusted depending on how the appliance is used—are smaller loads being washed; are more cold water rinses being used?

Dryers have auto settings

Electronic controls in dryers also showed a one percentage point gain to number five percent of the units shipped. And automatic fabric settings continue to gain strength with a two percentage point jump from 67 to 69 percent.

Because of the easy accessibility to electric lines when many new homes were built in the past couple of decades, electric dryers (25 in. or more in width) account for about two-thirds of dryer shipments. And this segment gained slightly in 1981 to reach 2,271,000 units, an increase of 0.6 percent.

Home laundry appliances—total factory shipments

	1981	1980	% of Change
Laundry, total	7,749,000	7,660,000	+1.2%
Washers, total	4,586,000	4,520,000	+1.5%
Auto. & semi-auto (25 in. or more in width)	4,188,000	4,122,000	+1.6%
Wringer & spinner	114,000	132,000	−13.6%
Compact washers (24 in. or less in width)	284,000	266,000	+6.8%
Dryers, total	3,163,000	3,140,000	+0.7%
Electric (25 in. or more in width)	2,271,000	2,257,000	+0.6%
Gas	686,000	676,000	+1.5%
Compact dryers (24 in. or less in width)	206,000	207,000	−0.5%

Percent of washer and dryer shipments by color

	Washers		Dryers	
	1981	1980	1981	1980
Almond	26%	22%	27%	24%
Avocado	2%	2%	2%	2%
Coffee	1%	1%	1%	1%
Harvest gold	5%	6%	5%	7%
Wheat	4%	5%	4%	4%
White	62%	64%	61%	62%

Percent of dryer shipments by type

	1981	1980
Automatic fabric settings	69%	67%
Time-dry	31%	33%

Still, gas dryers showed a shipment increase of 1.5 percent, possibly due in part to increased promotional advertising activity by gas utilities around the country. Gas dryers (25 in. or more in width) shipped in 1981 will be up to 686,000 units.

Outlet share shifts

The price-competitive catalog chains are projected to receive a greater number of units this year in laundry products, jumping three percentage points in both washers and dryers. The builder/contractors will edge up slightly in their share of shipments from two to three percent. However, department stores will see a loss of one point in each category as will the discounters and furniture stores.

Because washers and dryers are usually not color-coordinated with the other appliances in the home (due to their basement or garage positioning), white will again be the number one color shipped in 1981. Even so, white will account for fewer units, declining two percentage points to 62 percent in washers; down one point to 61 percent in dryers.

Almond picked up the slack gaining four points in washers to represent 26 of the units shipped; three points in dryers to reach 27 percent. Harvest gold is expected to lose popularity in both washers and dryers, as will wheat in washers.

Compact washers are strong

Reflecting greater interest in the multiple housing market and more "singles" households, compact washer shipments will show increased strength this year totalling 284,000 units, a gain of 6.8 percent. Compact dryers, however, will dip slightly to 206,000 units, a 0.5 percent decline.

Because of the increasing number of imports from overseas in these categories, the market has become more price-sensitive. Consequently, the ease of selling these less complicated units has enabled outlets like the catalog chains to grab a greater share in the marketplace. They are expected to gain two percentage points, jumping from 11 to 13 percent of the units shipped. Appliance/TV stores will lose two points, dropping to 49 percent.

Percent of washer shipments by capacity

	1981	1980
12 lb. & under	18%	19%
14 lb.	13%	13%
16 lb.	21%	22%
18 lb. and over	48%	46%

Percent of washer and dryer shipments by number of cycles

	Washers		Dryers	
	1981	1980	1981	1980
1 - 2	29%	29%	32%	32%
3 - 4	69%	69%	66%	66%
5 or more	2%	2%	2%	2%

Percent of washer and dryer shipments by internal control type

	Washers		Dryers	
	1981	1980	1981	1980
Electronic controls	5%	4%	5%	4%
Mechanical controls	95%	96%	95%	96%

Percent of washers shipped that are portable

	1981	1980
Portable	6%	6%

Percent of compact washer and dryer sales by type of outlet

	1981	1980
Appliance/TV store	49%	51%
Builder/contractor	1%	1%
Catalog store (Sears, Penneys, etc.)	13%	11%
Catalog showroom	5%	5%
Department store	10%	10%
Discount store	12%	12%
Furniture store	10%	10%

Percent of washer and dryer sales by type of outlet

	Washers		Dryers	
	1981	1980	1981	1980
Appliance/TV store	34%	34%	33%	34%
Builder/contractor	3%	2%	3%	2%
Catalog store (Sears, Penneys, etc.)	30%	27%	30%	27%
Catalog showroom	4%	5%	4%	4%
Department store	12%	13%	12%	13%
Discount store	10%	11%	11%	12%
Furniture store	7%	8%	7%	8%

NEW RELEASES IN PRERECORDED VIDEO

(Continued from page 45)

minutes MCA Videocassette C: $55.

MISSION GALACTICA/THE CYLON ATTACK (1979) Lorne Greene, Lloyd Bridges and John Colicos star in this space adventure in which the spaceship Galactica is stranded without fuel and under attack by the Cylons. *Color 108 minutes G MCA Videocassette C: $65.*

NEIL SEDAKA IN CONCERT (1981) Taped performance of this popular performer during an appearance in Edmonton, Canada. *Color 54 minutes MCA Videocassette C: $40.*

TO KILL A MOCKINGBIRD (1962) The southern racial issue is examined in this adaptation of the Harper Lee novel. Gregory Peck stars as an Alabama lawyer, bringing up two motherless children, who chooses to defend a black man accused of raping a white woman. *B/W 129 minutes MCA Videocassette C: $55.*

Paramount

AEROBICISE (1981) Made-for home video program featuring six girls doing aerobic exercises. Ron Harris, a fashion photographer, made the tape which utilizes a good deal of special effects. *Color 113 minutes Paramount Home Video Stereo C: $66.95. Monaural C: $62.95.*

ATLANTIC CITY (1981) A romantic story in which Burt Lancaster portrays an aging gambler who meets up with Susan Sarandon, whose ambition is to become a card dealer. *Color 104 minutes R Paramount Home Video C: $79.95*

THE FAN (1981) Lauren Bacall stars as a Broadway actress who is being terrorized by a fan. James Garner co-stars. *Color 95 minutes R Paramount Home Video C: $79.95*

FRIDAY THE 13TH PART II (1981) This film takes you back to Camp Crystal Lake for more grizzly terror and murder. *Color R 87 minutes Paramount Home Video C: $79.95.*

GOING APE (1981) Danny DeVito, Tony Danza and Jessica Walter are pitted against three orangutans. *Color 87 minutes PG Paramount Home Video C: $72.95.*

THE GREAT GATSBY (1974) Paramount's third adaptation of the F. Scott Fitzgerald classic about society life on Long Island. Set in the 1920's, the movie features Robert Redford, Bruce Dern and Mia Farrow. *Color 146 minutes PG Paramount Home Video: $72.95.*

MEATBALLS (1980) Comedy starring Bill Murray (of Saturday Night Live fame) as a counselor at a summer camp. *Color 94 minutes PG Paramount Home Video C: $79.95.*

ONE EYED JACKS (1961) Marlon Brando directed and starred in this western about an outlaw who gets out of prison and searches for the man who betrayed him, only to find him a sheriff. Karl Malden and Katy Jurado also star. *Color 141 minutes Paramount Home Video C: $72.95.*

ORCA THE KILLER WHALE (1977) A fisherman, played by Richard Harris, kills a pregnant whale, which invokes retaliation from its mate. Bo Derek makes her movie debut. *Color 92 minutes PG Paramount Home Video C: $72.95.*

SERPICO (1974) Screen adaptation of Peter Maas' book about corruption in the New York police force. The story led to the Knapp Commission's investigation. Al Pacino stars as Frank Serpico, the loud-mouth cop, who was a witness to other officers on the take. *Color 130 minutes R Paramount Home Video C: $72.95.*

TO CATCH A THIEF (1955) Cary Grant portrays an ex-jewel thief who falls in love with Grace Kelly while trying to prove he is innocent of a series of crimes. *Color 103 minutes Paramount Home Video C: $72.95.*

Walt Disney

ALICE IN WONDERLAND (1951) The Lewis Carroll masterpiece is transposed into a cartoon fantasy. This tape is for rental-only. *Color 75 minutes Walt Disney Home Video.*

AMY (1981) The story of a young woman at the turn of the century who tires of her domineering husband and goes into the wilderness to teach deaf children. *Color 100 minutes Walt Disney Home Video C: $69.95.*

DARBY O'GILL AND THE LITTLE PEOPLE (1959) The tale of a traditional storyteller who matches wits with King Brian of the Leprechauns. *Color 90 minutes Walt Disney Home Video C: $69.95.*

A DREAM CALLED WALT DISNEY WORLD (1981) A tour of Walt Disney World in Orlando, FL. *Color 25 minutes Walt Disney Home Video C: $49.95.*

OLD YELLER (1957) The memorable story of a Texas pioneer family in the 1860's that is greatly affected by this yellow stray dog. *Color 84 minutes Walt Disney Home Video C: $69.95.*

A WALT DISNEY CHRISTMAS Special tape is a collection of four Disney cartoon classics: Once Upon A Winter Time (1954), Santa's Workshop (1932), The Night Before Christmas (1933) and Pluto's Christmas Tree (1952). *Color 32 minutes Walt Disney Home Video C: $44.95.*

Merchandising's TOP 50

	Last month's position	Months on chart
1. **Airplane** *(Paramount Home Video)* I	2	9
2. **Ordinary People** *(Paramount Home Video)* I	3	4
3. **Nine to Five** *(Magnetic Video)* PI	1	7
4. **Elephant Man** *(Paramount Home Video)* I	6	4
5. **Raging Bull** *(Magnetic Video)* I	—	1
6. **Popeye** *(Paramount Home Video)* I	5	4
7. **Coal Miner's Daughter** *(MCA Distributing)* GI	10	13
8. **Caddyshack** *(Warner Home Video)* I	8	8
9. **Superman** *(Warner Home Video)* PI	4	21
10. **Alien** *(Magnetic Video)* PI	13	16
11. **The Incredible Shrinking Woman** *(MCA Distributing)*	—	1
12. **The Black Stallion** *(Magnetic Video)* I	15	3
13. **The Great Santini** *(Warner Home Video)*	18	3
14. **Annie Hall** *(Magnetic Video)* I	—	1
15. **Night Hawks** *(MCA Distributing)*	—	1
16. **M*A*S*H** *(Magnetic Video)* PI	12	37
17. **All That Jazz** *(MGM/CBS Home Video)* GI	27	11
18. **Star Trek—The Motion Picture** *(Paramount Home Video)* I	14	11
19. **And Justice For All** *(Columbia Pictures Home Entertainment)*	—	1
20. **The Muppet Movie** *(Magnetic Video)* PI	11	17
21. **The Blues Brothers** *(MCA Distributing)* GI	23	11
22. **Enter The Dragon** *(Warner Home Video)* GI	33	19
23. **Young Frankenstein** *(Magnetic Video)* I	7	4
24. **Emmanuelle** *(Columbia Pictures Home Entertainment)* I	20	18
25. **Somewhere In Time** *(Warner Home Video)*	38	2
26. **Blazing Saddles** *(Warner Home Video)* GI	17	20
27. **Flash Gordon** *(MCA Distributing)* GI	21	6
28. **Fame** *(MGM/CBS Home Video)* I	16	7
29. **Friday the 13th** *(Paramount Home Video)* I	41	7
30. **The Godfather** *(Paramount Home Video)* I	49	28
31. **Wizard of Oz** *(MGM/CBS Home Video)* I	47	10
32. **Urban Cowboy** *(Paramount Home Video)* I	22	9
33. **The Stunt Man** *(Magnetic Video)* I	9	7
34. **Emmanuelle—Joys of a Woman** *(Paramount Home Video)*	24	12
35. **Brubaker** *(Magnetic Video)* I	35	8
36. **Every Which Way But Loose** *(Warner Home Video)* I	25	11
37. **Halloween** *(Media Home Entertainment)* I	40	17
38. **Dr. Zhivago** *(MGM/CBS Home Video)*	45	9
39. **"10"** *(Warner Home Video)* PI	19	18
40. **Casablanca** *(Magnetic Video)* I	—	1
41. **2001—A Space Odyssey** *(MGM/CBS Home Video)* I	44	10
42. **Up in Smoke** *(MCA Distributing)* I	50	10
43. **Honeysuckle Rose** *(Warner Home Video)*	30	7
44. **Cabaret** *(MGM/CBS Home Video)*	39	4
45. **Fiddler on the Roof** *(Magnetic Video)* I	—	1
46. **The Black Hole** *(Disney Home Video)* I	—	8
47. **Tess** *(Columbia Pictures Home Entertainment)*I	—	1
48. **Smokey and the Bandit II** *(MCA Distributing)* GI	26	7
49. **My Bodyguard** *(Magnetic Video)*	34	4
50. **Patton** *(Magnetic Video)* GI	—	32

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I—Golden Videocassette award—has audited retail sales of $1 million at list price. (ITA)

A GRALLA PUBLICATION
DECEMBER 1981

Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

OPTIMISM MARKS '82

Looking Ahead To Next Year, a number of retailers interviewed by Merchandising are predicting sales gains of up to 30 percent in electronics and 10 to 20 percent in major appliances and housewares.

RETAILERS PROFIT WHEN PEERS TEAR APART THEIR BUSINESS

ADVICE DOUBLES DEALER'S SALES

GREEN BAY, WI—A $25,000 savings in insurance. A 10 percent increase in gross margins. A $10,000 to $12,000 reduction in annual delivery costs. These are but a few of the benefits 11 major appliance and audio/video dealers credit to their membership in a Midwest-based critique group founded approximately 15 years ago. By sharing, members have boosted profits in ways they never thought possible.

Ad Arena spotlights General Electronics:

FREE TELEPHONES

SPUR ELECTRONICS PURCHASES

Store runs a 24-hour Video Hotline to help generate consumer awareness.

ITA Seminar tackles rental of videotapes, Sony decision

SNEAK PREVIEW: CES, NHMA, HOME BUILDERS SHOWS

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Executive Offices: 1515 Broadway, New York, NY 10036 212/869-1300

Jared Liebowitz . . . . publisher
Lee Rath . . . . editor
Aaron Neretin . . editorial and marketing consultant

EDITORIAL STAFF
Managing Editor . . . . Nancy Markov
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SALES OFFICES
Eastern Regional Office:
1515 Broadway, NY 10036
(212) 869-1300
Susan Matthews
Marvin Lewis
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
(312) 463-1102
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16200 Ventura Blvd., Encino, CA 91436
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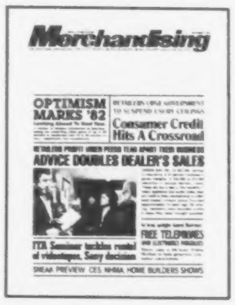
Merchandising

FOR OVER 56,000 RETAILERS & WHOLESALERS

VOL.6, No. 12



Merchandising

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ON THE COVER: Members of the group critiquing Dean's in Green Bay, WI, discuss strengths and weaknesses of the firm's salespeople. Participating are (from the left) Bill Fisher, president, Fisher's Appliance & TV Centers, Rockford, IL; Wendall Schloneger, owner, Bennett's Appliance Centers, Orrville, OH; Judy Ann Ridgely, general manager, Dean's, Green Bay, WI, and Jerry Thomas, manager, TV and appliances, Dean's, Green Bay, WI.

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Merchandising's TOP 50

	Last month's position	Months on chart
1. **Airplane** *(Paramount Home Video)* I	1	10
2. **Stir Crazy** *(Columbia Pictures Home Entertainment)*	—	1
3. **Ordinary People** *(Paramount Home Video)* I	2	5
4. **Nine to Five** *(Magnetic Video)* PI	3	8
5. **The Blue Lagoon** *(Columbia Pictures Home Entertainment)*	—	1
6. **Superman** *(Warner Home Video)* PI	9	22
7. **Raging Bull** *(Magnetic Video)* I	5	2
8. **Caddyshack** *(Warner Home Video)* I	8	9
9. **The Elephant Man** *(Paramount Home Video)* I	4	5
10. **Endless Love** *(MCA Distributing)*	—	1
11. **The Jazz Singer** *(Magnetic Video)*	—	1
12. **Somewhere In Time** *(Warner Home Video)*	25	3
13. **Popeye** *(Paramount Home Video)* I	6	5
14. **Halloween** *(Media Home Entertainment)* I	37	18
15. **Night Hawks** *(MCA Distributing)*	15	2
16. **Tess** *(Columbia Pictures Home Entertainment)* I	47	2
17. **The Muppet Movie** *(Magnetic Video)* PI	20	18
18. **Friday the 13th** *(Paramount Home Video)* I	29	8
19. **M*A*S*H** *(Magnetic Video)* PI	16	38
20. **Emmanuelle** *(Columbia Pictures Home Entertainment)* I	24	19
21. **Alien** *(Magnetic Video)* PI	10	17
22. **Blazing Saddles** *(Warner Home Video)* GI	26	21
23. **Enter The Dragon** *(Warner Home Video)* GI	22	20
24. **Fame** *(MGM/CBS Home Video)* I	28	8
25. **Casablanca** *(Magnetic Video)* I	40	2
26. **"10"** *(Warner Home Video)* PI	39	19
27. **Coal Miner's Daughter** *(MCA Distributing)* GI	7	14
28. **Young Frankenstein** *(Magnetic Video)* I	23	5
29. **The Black Stallion** *(Magnetic Video)* I	12	4
30. **Star Trek—The Motion Picture** *(Paramount Home Video)* I	18	12
31. **The Blues Brothers** *(MCA Distributing)* GI	21	12
32. **Busting Loose** *(MCA Distributing)*	—	1
33. **The Incredible Shrinking Woman** *(MCA Distributing)*	11	2
34. **Every Which Way But Loose** *(Warner Home Video)* I	36	12
35. **The Godfather** *(Paramount Home Video)* I	30	29
36. **2001—A Space Odyssey** *(MGM/CBS Home Video)* I	41	11
37. **Urban Cowboy** *(Paramount Home Video)* I	32	10
38. **Xanadu** *(MCA Distributing)* I	—	8
39. **Annie Hall** *(Magnetic Video)* I	14	2
40. **Honeysuckle Rose** *(Warner Home Video)*	43	8
41. **Fiddler on the Roof** *(Magnetic Video)* I	45	2
42. **The Stunt Man** *(Magnetic Video)* I	33	8
43. **Up in Smoke** *(MCA Distributing)* I	42	11
44. **Godfather II** *(Paramount Home Video)*	—	24
45. **Smokey & the Bandit II** *(MCA Distributing)* GI	48	8
46. **Grease** *(Paramount Home Video)* I	—	18
47. **Cheech & Chong's Next Movie** *(MCA Distributing)* GI	—	9
48. **Close Encounters of the Third Kind** *(Columbia Pictures Home Entertainment)* GI	—	11
49. **Flash Gordon** *(MCA Distributing)* GI	27	8
50. **The Great Santini** *(Warner Home Video)*	13	4

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I— Golden Videocassette award—has audited retail sales of $1 million at list price. (ITA)

FASTER DELIVERY of prerecorded videotapes is promised by VCA Duplicating Corp., which says its updated machinery speeds up production.

Video duplicating company speeds up tape distribution

By Debbie Rosenblum, field editor

DES PLAINES, IL—The reorganization of Video Corp. of America and the installment of the latest duplicators available will provide dealers with high quality videotapes at a 10 percent to 33 percent faster distribution rate.

All four duplicating laboratories—S/T of New Jersey, Teletronics Video Services in Des Plaines, IL, Teletronics Southwest in Houston and Teletronics West in Huntington Beach, CA—have been reorganized into one operating entity—The VCA Duplicating Corp.

The newly incorporated industrial-grade duplicating machinery reportedly will offer better signal-to-noise ratio and improved audio performance with stereo capability.

The recently expanded router switch capacity and remote control options reportedly will result in quicker deliveries to dealers.

"Deliveries probably take one-tenth to one-third less time than they used to, depending on the time of the original program," explained Robert Vavra, vice president-general manager of the company's Midwest branch.

"We're allowing our customers to have the number of cassettes they want with the highest quality as fast as real time will permit," he said. (Real time is the actual running time of the cassette.)

Because of the faster distribution rate, VCA executives claim dealers save dollars as their inventory needs are reduced.

"With the rapid service we're supplying, the dealers' needs to invest in large inventories are cut significantly," maintained Steven Ladden, general manager of the New Jersey branch.

He continued, "They can keep their inventories at a minimal level. An order that arrives by noon is shipped the same day from the laboratory nearest the dealer."

Therefore, a dealer can turn the sale and have the prerecorded tape used in his customer's home that evening, Vavra said. "The customer will be satisfied with the quality of the tape and won't return it. Quality products and prompt service are benefits we provide," he maintained.

Rental club, VCR care seminars increase sales of video accessories

(*Continued from page 43*)

much has this contributed to our accessories sales," he continued. "The real question is how many accessories would we sell if we didn't have a club? We'd be blasting them out just like everybody else in town."

Club members at American Tape & Video, Atlanta, contributed 20 percent of the retailer's accessories sales this year, vice president Ellis Baxter reported. He referred to "video shock," which keeps customers returning to the store.

"A guy comes in, buys a standard VCR and joins our film club for another $39.99," he explained. "After he's been in the store a few times he starts to develop 'video eyes.' He finds that he is using his machine six times more than he expected and ends up buying more accessories," Baxter asserted.

American Tape & Video's film club has 2,000 members, about half of which are active accessories buyers.

Weber's World, Anaheim, CA, has found sponsoring seminars for club members is an effective way to boost accessories sales, stated vice president Bill Alexander.

"We hold seminars with our club members in an honest effort to teach them how to care for their video equipment," said Alexander.

"We can handle only about 20 people at a time, but the results are very good. People usually leave with a dust cover or some sort of care product," he added. The club's 1,200 members are credited with 50 percent of the retailer's accessories sales.

Ampex, Konishiroku expand joint tape plan

REDWOOD CITY, CA—Ampex Corp. is expanding its blank magnetic recording tape venture with Konishiroku Photo Industry Co., Ltd. The joint venture, which was formed in August of 1980, plans to spend $50 million over the next three years in an attempt to capture a significant share of the consumer segment of the tape business.

75th ANNIVERSARY

A GRALLA PUBLICATION

JANUARY 1982

Mercha[illegible]g

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THE NATIONAL MAGAZINE FOR ELECTRONICS ▪ HOUSEWARES ▪ MAJOR APPLIANCE RETAILERS

MERCHANDISING's 75th Anniversary Issue… Coming in April!

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IT'S SHOW

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CONGRESSIONAL INFO INC
7101 WISCONSIN AVE
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NHMA

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Tour more square feet of housewares than ever before

HOME BUILDERS' SHOW

See all of the new major appliances under a single roof

Weekend expos:

- **draw crowds,**
- **build sales,**
- **boost awareness for innovative electronics stores**

New York Video displays $32,000 media rooms and racks up sales with the price-unconscious

JANUARY 1982

Merchandising

FOR OVER 56,000 RETAILERS & WHOLESALERS
VOL.7, No.1

75th ANNIVERSARY

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EDITORIAL STAFF
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Sr. Associate Editor..William Silverman
Associate Editors ...... Pamela Golden
Bill DeSiena
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Barbara Smith
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SALES OFFICES
Eastern Regional Office:
1515 Broadway, NY 10036
(212) 869-1300
Susan Matthews
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
(312) 463-1102
Robert Sarra, II
West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
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IT'S SHOW TIME!
NHMA

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Merchandising's TOP 50

	Last month's position	Months on chart
1. **Blue Lagoon** *(Columbia Pictures Home Entertainment)* I	5	2
2. **Airplane** *(Paramount Home Video)* I	1	11
3. **Nine to Five** *(Magnetic Video)* PI	4	9
4. **Ordinary People** *(Paramount Home Video)* PI	3	6
5. **Endless Love** *(MCA Distributing)*	10	2
6. **The Jazz Singer** *(Magnetic Video)*	11	2
7. **Raging Bull** *(Magnetic Video)* I	7	3
8. **Stir Crazy** *(Columbia Pictures Home Entertainment)*	2	2
9. **Superman** *(Warner Home Video)* PI	6	23
10. **Night Hawks** *(MCA Distributing)*	15	3
11. **Busting Loose** *(MCA Distributing)*	32	2
12. **Caddyshack** *(Warner Home Video)* I	8	10
13. **The Elephant Man** *(Paramount Home Video)* I	9	6
14. **Tess** *(Columbia Pictures Home Entertainment)* I	16	3
15. **Coal Miner's Daughter** *(MCA Distributing)* GI	27	15
16. **Alien** *(Magnetic Video)* PI	21	18
17. **Black Stallion** *(Magnetic Video)* I	29	5
18. **Halloween** *(Media Home Entertainment)* I	14	19
19. **Emmanuelle** *(Columbia Pictures Home Entertainment)* I	20	20
20. **Popeye** *(Paramount Home Video)* I	13	6
21. **"10"** *(Warner Home Video)* I	26	20
22. **2001—A Space Odyssey** *(MGM/CBS Home Video)* I	36	12
23. **Friday the 13th** *(Paramount Home Video)* I	18	9
24. **Blazing Saddles** *(Warner Home Video)* GI	22	22
25. **Kramer vs. Kramer** *(Columbia Pictures Home Entertainment)* I	—	1
26. **Star Trek—The Motion Picture** *(Paramount Home Video)* I	30	13
27. **Fiddler on the Roof** *(Magnetic Video)* I	41	3
28. **. . . And Justice For All** *(Columbia Pictures Home Entertainment)*	—	2
29. **Fame** *(MGM/CBS Home Video)* I	24	9
30. **All That Jazz** *(MGM/CBS Home Video)* GI	—	12
31. **The Blues Brothers** *(MCA Distributing)* GI	31	13
32. **Emmanuelle: Joys of a Woman** *(Paramount Home Video)*	—	3
33. **The Muppet Movie** *(Magnetic Video)* PI	17	19
34. **The Stunt Man** *(Magnetic Video)* I	42	9
35. **The Competition** *(Columbia Pictures Home Entertainment)*	—	1
36. **Close Encounters of the Third Kind** *(Columbia Pictures Home Entertainment)* GI	48	12
37. **Young Frankenstein** *(Magnetic Video)* I	28	6
38. **Casablanca** *(Magnetic Video)* I	25	3
39. **Dressed to Kill** *(Warner Home Video)*	—	1
40. **Every Which Way But Loose** *(Warner Home Video)* I	34	13
41. **Honeysuckle Rose** *(Warner Home Video)*	40	9
42. **The Wizard of Oz** *(MGM/CBS Home Video)* I	—	11
43. **Urban Cowboy** *(Paramount Home Video)* I	37	11
44. **Somewhere In Time** *(Warner Home Video)*	12	4
45. **Enter the Dragon** *(Warner Home Video)* GI	32	21
46. **Xanadu** *(MCA Distributing)* I	38	9
47. **M*A*S*H** *(Magnetic Video)* PI	19	39
48. **Animal House** *(MGA Distributing)* GI	—	16
49. **The Deer Hunter** *(MCA Distributing)* I	—	14
50. **Fists of Fury** *(Golden Video)*	—	8

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million (RIAA/Video)
I— Golden Videocassette award—has audited retail sales of $1 million at list price. (ITA)

VIDEO/NEW RELEASES

Columbia

THE CAT AND THE CANARY (1981) In this mysterious comedy, an eccentric millionaire's will is finally read, 20 years after his death. He leaves his entire estate, which includes a priceless necklace, to a fashion designer (Carol Lynley). However, the location of the necklace is not disclosed and the search for it is based on a single clue. Also stars Olivia Hussey and Michael Callan. *Color PG Columbia Pictures Home Entertainment.*

GRADUATION DAY (1981) With graduation day just weeks away, the members of the college's girls' track team are being murdered one by one. Stars Christopher George and Patch Mackenzie. *Color R Columbia Pictures Home Entertainment.*

HELLCATS OF THE NAVY (1957) Ronald Reagan and Nancy Davis star in this drama based on the true story of a submarine commander who must enter the heavily mined Tsushima Straits to sever the vital link between the Asiatic mainland and the Japanese islands. *Color Columbia Pictures Home Entertainment.*

NOBODY'S PERFEKT (1981) Gabe Kaplan, Alex Karras and Robert Klein, all patients of the same psychiatrist, go on a crusade against city hall when one of their cars is wrecked by a pothole. *Color PG Columbia Pictures Home Entertainment.*

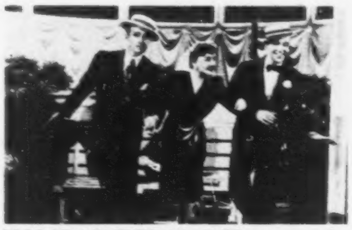
THE SEVENTH VOYAGE OF SINBAD (1958) The legendary adventures of Sinbad are re-created in this movie starring Kerwin Matthews and Kathryn Grant. While on a journey to the island of Colossa, where he hopes to obtain the egg of a giant bird that will help restore a tiny princess to normal size, Sinbad frees the Genie of the magic lamp. Together they must battle all sorts of creatures before returning to the princess. Ray Harryhausen created the animated special effects. *Color Columbia Pictures Home Entertainment.*

THE THREE STOOGES VOL. IV In Woman Haters (1934), Moe, Larry and Curly join an exclusive Woman Haters Club, but it turns out that Larry has gotten secretly married and his partners try to break up the honeymoon, only to fall for the girl. Three Little Bears (1935), features the boys trying to win money in a golf tournament for their beer company. In Tassels In The Air (1938), the Stooges are turned into interior decorators by a case of mistaken identity. *B & W Columbia Pictures Home Entertainment.*

TRASH Produced by Andy Warhol, this film features a young couple—a man who attracts women without trying and a woman who is a female impersonator, trash scavenger and seducer of teenage boys. *Color X Columbia Pictures Home Entertainment.*

MCA

GOING MY WAY (1944) Winner of seven Academy Awards including best picture, best actor (Bing Crosby) and best supporting actor (Barry Fitzgerald), this movie tells the story of a young priest (Crosby) who battles the older priest of a mortgage-ridden parish, and, through organization, helps bring the church out of debt. *B&W 126 minutes MCA Videocassette C: $55.*



HOLIDAY INN (1942) The story of a song and dance man (Bing Crosby) who leaves show business to open an inn in Connecticut, but cannot escape his former partner (Fred Astaire). Music is by Irving Berlin. *B&W 101 minutes MCA Videocassette C: $55.*

MacARTHUR (1977) Gregory Peck plays General Douglas MacArthur in this movie which traces his career from 1942 until his dismissal by President Truman for insubordination in 1951. *Color 130 minutes PG MCA Videocassette C: $55.*

ROOSTER COGBURN (...AND THE LADY) (1975) John Wayne is the deputy marshal and Katharine Hepburn is the missionary in this sequel to True Grit. Here they team up in search of the outlaws responsible for her father's death. *Color 107 minutes PG MCA Videocassette C: $55.*

THE WIZ (1978) The movie version of the Broadway play (both based on the Wizard of Oz) stars Diana Ross, Michael Jackson, Nipsey Russel and Ted Ross. *Color 133 minutes PG MCA Videocassette C: $55.*

MGM/CBS

THE BILLION DOLLAR HOBO (1977) Tim Conway is the last surviving relative of a multi-millionaire, Will Gear. Now he must recreate his relative's Depression-day experiences

(Continued on page 32)

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A GRALLA PUBLICATION

Merchandising

FEBRUARY 1982

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

C 4200-1

ISSUES, NOT PRODUCTS, RULE CES

VCR AND VIDEODISC PRICES, DIGITAL AUDIO STIR DEBATE

Air Cleaner Sales Soar

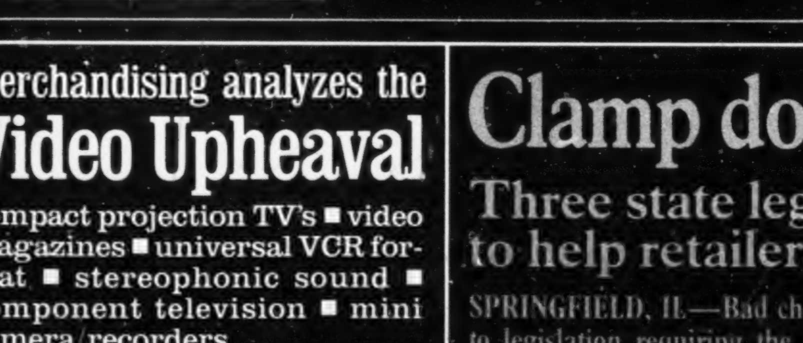
Fourth quarter booms as promotions support gift, impulse purchases

LAS VEGAS—Extensive price cutting and lack of adequate programming are two heated issues plaguing the videodisc business, agreed a panel of video suppliers and retailers at the Consumer Electronics Show.

Meanwhile, digital audio—the long-awaited new kid in town—managed to generate a good deal of curiosity and a little controversy as two prototype disc systems were demonstrated.

$600-$699 racked stereos sell best, retailers at 864 stores report

(Based on 112 replies)



INNOVATIONS IN COMPUTERS

Highlight NARDA Expo

LAS VEGAS—Among the hardware, software and systems displayed at NARDA's convention and exposition were: a system designed to track videocassette rental programs; electronic cash registers with computer capabilities; systems capable of tracking co-op ad plans.

Merchandising analyzes the

Video Upheaval

compact projection TV's ■ video magazines ■ universal VCR format ■ stereophonic sound ■ component television ■ mini camera/recorders

Clamp down on bad checks

Three state legislatures approve new laws to help retailers cut down on check fraud

SPRINGFIELD, IL—Bad checks may have a harder time fooling retailers thanks to legislation requiring the opening date of an account to be printed on each.

CES, NHMA, HOME BUILDERS SHOW PRODUCT REPORT

A GRALLA PUBLICATION
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Jared Liebowitz .... publisher
Lee Rath .... editor
Aaron Neretin .. editorial and marketing consultant

EDITORIAL STAFF
Managing Editor .... Nancy Markov
Sr. Assoc. Editors ... William Silverman
Pamela Golden
Associate Editor .... Bill DeSiena
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3525 W. Peterson Ave., Chicago, IL 60659
(312) 463-1102
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Merchandising
75th ANNIVERSARY
FOR OVER 56,000 RETAILERS & WHOLESALERS
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NEW RELEASES

MCA Video

AN AMERICAN WEREWOLF IN LONDON (1981) Several weeks after hearing an ear piercing howl while walking along the Welsh moors, one American student is found dead and another is hospitalized, beginning the terror of the werewolf of London. *Color 97 minutes R MCA Videocassette C: $89.*

AN EVENING WITH RAY CHARLES (1981) Recorded live at the Jubilee Auditorium in Edmunton, Canada, this diverse performer sings 11 songs including Riding Thumb, Busted and Georgia on My Mind. *Color 40 minutes MCA Videocassette C: $40.*

THE FOUR SEASONS (1981) Directed and written by Alan Alda, this comedy examines how divorce affects the relationships of three married couples after one is divorced. Alda stars with Carol Burnett and Rita Moreno. *Color 108 minutes PG MCA Videocassette C: $89.*

HOW TO WATCH PRO FOOTBALL (1980) Adopted from the Optical Programming Associates interactive videodisc, this is a step-by-step guide to the game. It features seven NFL coaches who take the viewer through all the strategies and includes a booklet containing diagrams from an NFL playbook. *Color 53 minutes MCA Videocassette C: $55.*

THE INCREDIBLE HULK (1977) The story of a scientist, portrayed by Bill Bixby, who while researching incredible feats of strength during moments of great stress is exposed to a massive dose of gamma rays. When he loses his temper, he finds himself transformed into a seven-ft. tall man with enormous strength. *Color 94 minutes MCA Videocassette C: $65.*

MGM/CBS

THE CLOWN (1952) Red Skelton portrays a one-time famous comedian whose gambling and drinking have reduced him to a Coney Island barker. He continually ruins his chances at a comeback, until circumstances force him back on his feet. Also stars Jane Greer and Tim Considine. *Color 91 minutes MGM/CBS Home Video C: $49.95.*

GREAT FIGHTS OF THE SEVENTIES Shows the great fighters of this decade, such as Ali, Frazier, Foreman and Duran in action in the ring. *Color 116 minutes MGM/CBS Home Video C: $55.95.*

HARRY CHAPIN: THE FINAL CONCERT (1981) Taped live during a performance at Hamilton Place in Hamilton, Canada, the concert includes the hit songs Taxi, Sequel and Cat's In the Cradle. *Color 89 minutes MGM/CBS Home Video C: $49.95.*

MADAME BOVARY (1949) Based on Gustave Flaubert's controversial story, the movie stars Jennifer Jones as an incurable romantic whose many loves lead to her destruction. Also stars Louis Jourdan, Van Heflin and James Mason. *B&W 114 minutes MGM/CBS Home Video C: $59.95.*

MAJOR BARBARA (1941) Deborah Kerr stars in this dramatization of the play by George Bernard Shaw, who also wrote the screenplay with Anatole de Grunwald. Rex Harrison, Wendy Hiller, Robert Morley and Sybil Thorndike also star. *B&W 145 minutes MGM/CBS Home Video C: $59.95.*

NORTH BY NORTHWEST (1959) Cary Grant and Eva Marie Saint star in this Alfred Hitchcock spy thriller, laced with comedy and romance. *Color 136 minutes MGM/CBS Home Video C: $59.95.*

THE PIRATE (1948) Judy Garland and Gene Kelly sing and dance to Cole Porter music as Kelly tries to rescue his co-star from an impending arranged marriage. *Color 102 minutes MGM/CBS Home Video C: $69.95.*

VICTORY (1981) Michael Caine, Sylvester Stallone and Max Von Sydow star along with 18 top soccer players in John Huston's story of how a group of Allied POW's humiliate a soccer team sponsored by the Third Reich. *Color 116 minutes PG MGM/CBS Home Video C: $69.95.*

Nostalgia

ALLEGHENY UPRISING John Wayne, Claire Trevor and George Sanders star in this story of colonists resisting a corrupt British general in pre-Revolutionary America. *B&W 81 minutes Nostalgia Merchant C: $59.95.*

BACK TO BATAAN (1945) World War II drama starring John Wayne as an American army officer who organizes Phillipine guerillas to fight the Japanese. *B&W 95 minutes Nostalgia Merchant C: $59.95.*

FIGHTING SEABEES (1944) John Wayne stars as a construction engineer who must organize the Navy Seabees to repair installations located close to the Japanese lines. *B&W 100 minutes Nostalgia Merchant C: $59.95.*

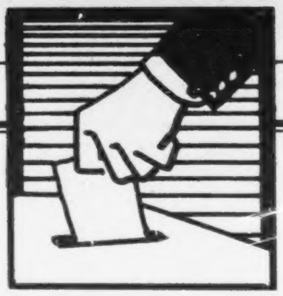
TYCOON (1947) The saga of a tough engineer, played by John Wayne, who struggles to build a South American railroad while being opposed by a powerful land owner. *Color 128 minutes Nostalgia Merchant C: $59.95.*

WAKE OF THE RED WITCH (1946) Sea adventure in which John Wayne portrays a sea captain, haunted by his past, who must also deal with his rivalry with a ship owner over pearls and a woman. *B&W 106 minutes Nostalgia Merchant C: $59.95.*

Merchandising's TOP 50

	Last month's position	Months on chart
1. **Blue Lagoon** *(Columbia Pictures Home Entertainment)* I	1	3
2. **Stir Crazy** *(Columbia Pictures Home Entertainment)* I	8	3
3. **Kramer vs. Kramer** *(Columbia Pictures Home Entertainment)* I	25	2
4. **The Jazz Singer** *(20th Century Fox Video)*	6	3
5. **Nine to Five** *(20th Century Fox Video)* PI	3	10
6. **Endless Love** *(MCA Videocassette)*	5	3
7. **Airplane** *(Paramount Home Video)* I	2	12
8. **Superman** *(Warner Home Video)* I	9	24
9. **Ordinary People** *(Paramount Home Video)* PI	4	7
10. **Busting Loose** *(MCA Videocassette)*	11	3
11. **Raging Bull** *(20th Century Fox Video)* I	7	4
12. **Night Hawks** *(MCA Videocassette)*	10	4
13. **...And Justice For All** *(Columbia Pictures Home Entertainment)*	28	3
14. **Dressed to Kill** *(Warner Home Video)*	39	2
15. **The Elephant Man** *(Paramount Home Video)* I	13	7
16. **Tess** *(Columbia Pictures Home Entertainment)* I	14	4
17. **Casablanca** *(20th Century Fox Video)* I	38	4
18. **The Muppet Movie** *(20th Century Fox Video)* PI	33	20
19. **Caddyshack** *(Warner Home Video)* GI	12	11
20. **The Competition** *(Columbia Pictures Home Entertainment)*	35	2
21. **Somewhere in Time** *(Warner Home Video)*	44	5
22. **Friday the 13th** *(Paramount Home Video)* I	23	10
23. **Apocalypse Now** *(Paramount Home Video)*	—	1
24. **Coal Miner's Daughter** *(MCA Videocassette)* GI	15	16
25. **Fiddler on the Roof** *(20th Century Fox Video)* I	27	4
26. **The Godfather** *(Paramount Home Video)* PI	—	30
27. **Black Stallion** *(20th Century Fox Video)* I	17	6
28. **Every Which Way But Loose** *(Warner Home Video)* I	40	14
29. **M*A*S*H** *(20th Century Fox Video)* PI	47	40
30. **Star Trek—The Motion Picture** *(Paramount Home Video)* I	26	14
31. **An American Werewolf in London** *(MCA Videocassette)*	—	1
32. **Halloween** *(Media Home Entertainment)*	18	20
33. **Young Frankenstein** *(20th Century Fox Video)* I	37	7
34. **Fame** *(MGM/CBS Home Video)* GI	29	10
35. **Emmanuelle** *(Columbia Pictures Home Entertainment)* I	—	3
36. **The Incredible Shrinking Woman** *(MCA Videocassette)* I	—	3
37. **Popeye** *(Paramount Home Video)* I	20	7
38. **The Blues Brothers** *(MCA Videocassette)* GI	31	14
39. **The Stunt Man** *(20th Century Fox Video)* I	34	10
40. **Grease** *(Paramount Home Video)* I	—	19
41. **Enter the Dragon** *(Warner Home Video)* GI	45	22
42. **Patton** *(20th Century Fox Video)* GI	—	33
43. **"10"** *(Warner Home Video)* PI	21	21
44. **2001—A Space Odyssey** *(MGM/CBS Home Video)* GI	22	13
45. **Emmanuelle—Joys of a Woman** *(Paramount Home Video)*	32	14
46. **Animal House** *(MCA Videocassette)* GI	48	17
47. **The Godfather II** *(Paramount Home Video)* I	—	25
48. **Blazing Saddles** *(Warner Home Video)* GI	24	23
49. **Up in Smoke** *(Paramount Home Video)*	—	11
50. **Alien** *(20th Century Fox Video)* PI	16	19

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I —Golden Videocassette award—has audited retail sales of $1 million at list price. (ITA)



Two-thirds of 166 retailers with 864 stores now selling matched, racked audio systems

By Lee Rath, editor

NEW YORK—Matched, racked audio systems are being sold by 68.7 percent of the retail operations contacted for *Merchandising's* latest Retail Opinion File. Some 864 stores were represented in the response from 166 different companies.

According to the retailers, the systems score high marks in several areas. They are easy to sell. They make it simple for customers to make a decision about what to buy. They don't intimidate consumers who are not familiar with stereo products, and they are attractive.

On the other hand, however, the retailers noted that the systems usually do not feature the best of speakers—a fact that turns off many potential customers. In addition, they are inflexible, making it impossible to substitute one component for another. Other respondents objected to the low quality of the racks themselves.

Offered for a year

Among the retailers who sell the systems, the average time they have stocked them is 13.3 months. Some 58.8 percent have carried them for less than a year and 34.9 percent for less than six months.

The average respondent carries 2.3 brands, with 69.7 percent offering two or more brands and 34 percent three or more. Only 16.1 percent stock four or more brands and 5.4 percent more than five.

When asked about models, the retailers reported that on the average they offer 6.4. Almost half, 48.6 percent, carry five or more. But only 16.8 percent have more than 10.

More than half, 59 percent, said the best price point for the systems is under $700.

Most of the respondents agreed that sales of the systems should pick up this year. On the average, they accounted for 33.1 percent of the dealers' hifi sales last year. This year, they said, the systems should account for 39.7 percent, a 32.3 percent increase.

Voice pros and cons

In addition to the pros listed above, the retailers pointed out that the matched, racked component systems are ideal for apartment dwellers and others who have to save space. They also like the fact that the systems offer recognizable brand names that make them an easy sale.

National advertising support was cited as a plus by retailers who also

(*Continued on page 27*)

Are you now selling matched, racked audio component systems?

	Number of replies	Percent of response
Yes	114	68.7%

If yes, what were your 1981 total hifi sales ($) per store? What change do you expect in those sales in 1982?
(109 replies)*

	Total hifi sales ($) per store
In 1981	$167,000
Expected change in 1982	+ 10.3%
Expected hifi sales in 1982	$184,201

*For stores selling any matched, racked audio systems

If yes, how long have you offered these matched, racked component systems?
(Based on 109 replies)*

	Number of replies	Percent of response
Less than 6 months	38	34.9%
6 months to 1 year	26	23.9
1 year to 18 months	24	22.0
18 months to 2 years	12	11.0
2 years to 3 years	8	7.3
3 years or more	1	0.9
Total	109	100.0%

*For those carrying any

Average per respondent: 13.3 months

With regard to matched, racked component systems, how many different brands do you carry?
(Based on 112 replies)*

	Number of replies	Percent of response
1 brand only	34	30.3%
2 brands	40	35.7
3 brands	20	17.9
4 brands	12	10.7
5 brands	3	2.7
6 brands	3	2.7
Total	112	100.0%

*For those carrying any

Average per respondent: 2.3 brands

With regard to matched, racked component systems, how many different models do you carry?
(Based on 107 replies)*

	Number of replies	Percent of response
1-5 models	55	51.4%
6-10 models	34	31.8
11-15 models	16	14.9
More than 15 models	2	1.9
Total	107	100.0%

*For those carrying any

Average per respondent: 6.4 models

What is the best selling price for the matched, racked component systems?
(Based on 112 replies)*

	Number of replies	Percent of response
Under $400	7	6.3%
$400 to $499	15	13.4
$500 to $599	20	17.9
$600 to $699	24	21.4
$700 to $799	17	15.2
$800 to $899	12	10.7
$900 to $999	8	7.1
$1,000 to $1,099	8	7.1
$1,100 or more	9	8.0
	**	**

*For those selling any
**Adds to more than 100% because of multiple answers

What portion (%) of your hifi sales ($) will matched, racked component systems account for in 1982? What portion did they account for in 1981?
(Based on 105 replies)*

	Expected in 1982	Expected in 1981
Percent of hifi sales ($)	39.7%	33.1%
Hifi sales ($) per store	$184,201	$167,000

*For stores selling any

Percent change in sales ($) per store of matched, racked component systems, 1982 versus 1981: + 32.3% (expected)

What portion (%) of the matched, racked component systems you sell include each of the following features?
(Based on 101 replies)*

	Percent of systems
Cassette decks	86.7%
AM/FM tuners	82.2
Equalizers	14.1
Remote controls	4.0

*For stores selling any

Characteristics of the sample

Replies from 166 companies owning/operating .... **864 stores**

1981 hifi sales volume:

per company	$786,000
per store	$151,000
entire sample	$130.5 million

Type of responding company:

	Number of replies	Percent of response
Appliance/TV store	86	51.8%
Audio Hifi Specialty store	54	32.6
Department/Discount store	17	10.2
Electronic Specialty store	6	3.6
Catalog showroom	3	1.8
Total	166	100.0%

Some retailers like ease of selling racked stereos, but question quality

(*Continued from page 24*)

like the profit margins on the systems, their ease to inventory and the price points at which they are offered.

"It's much much easier to sell the products' features when they're all packaged together," said a respondent from a TV and audio store in Massachusetts. "We convince the customer, from the novice to the pro, that one company can better 'match' the components than several companies can."

In addition to the cons listed above, the retailers noted that some of the systems come with inferior cartridges. One complained that it takes too much time for his salesmen to set up the racks, and another noted they are difficult to keep track of in his computer.

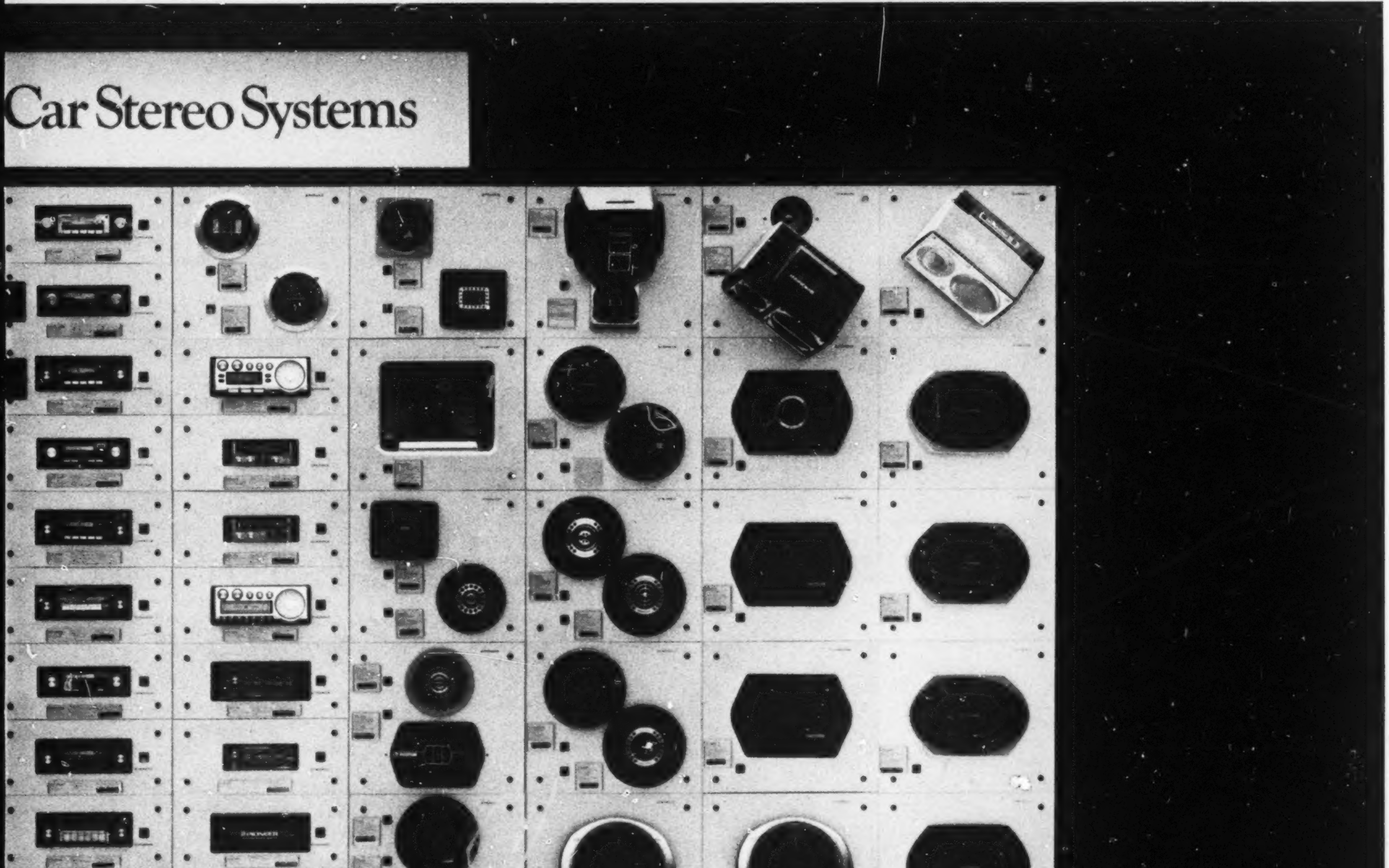
Others complained about low margins and the systems' needs for large amounts of display space. One said he didn't like the fact that the chance to make add-on sales is virtually eliminated.

Finally, a respondent from an audio hifi specialty store in Colorado had this to say: "I personally believe most of them to be inferior. Just because a company makes a great turntable doesn't mean they can make speakers too. But," he admitted, "they really are easy to sell."

STATISTICAL MATTER for this survey was collected and compiled by Selma Book, market research manager, and Roberta Janasz, research associate.

Merchandising holds drawings at CES

CELEBRATING 75 YEARS of service to the industry in 1982, Merchandising threw a party at the Consumer Electronics Show in Las Vegas. Several drawings were held, and Jean Griessel (center), consumer relations, Discwasher, walked away with $75 to help celebrate the anniversary. She is being congratulated by Jared Liebowitz (right), publisher, and Robert Sarra, II (left), Midwest sales representative.



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To order our display. Or learn more about it.

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75th ANNIVERSARY
A GRALLA PUBLICATION
MARCH 1982

Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

7,267,000 smoke detectors
1,477,000 gas grills
4,104,000 countertop microwave ovens
2,221,000 electric clothes dryers
284,000 compact washers
3,108,000 headphones
11,303,000 pairs of car stereo speakers
2,760,000 mini-card calculators
597,000 personal computers
697,000 telephone answering devices
3,484,000 color TV's with remote control
200,000 travel irons
1,953,000 toaster oven/broilers
375,000 coffee grinders
2,917,000 canister vacuums
6,179,000 electric shavers
501,000 microcassette recorders
634,000 cassette decks
540,000 electric toothbrushes
4,355,000 desk-top calculators
23,595,000 digital watches
2,733,000 telephones
518,000 radar detectors

7,702,000 digital clock radios
3,921,000 12-in. black and white TV's
175,000 color video cameras
1,703,000 X-rated tapes
289,000 portable VCR's
2,501,000 videogames
359,000 advanced electronic telephones
6,302,000 cassette/radio combos
920,000 scanners
422,000 cordless telephones
155,000 equalizers
350,000 15 -cu.-ft. freezers
1,511,000 high-E.E.R. air conditioners
483,000 continuous-clean gas ranges
789,000 side-by-side refrigerator/freezers
4,830,000 ceiling fans
4,300,000 air purifiers
1,442,000 foot massager/baths
1,304,000 electronic bathroom scales
4,123,000 timers
4,823,000 blenders
2,703,000 hot air cornpoppers
3,186,000 food processors

60th ANNUAL STATISTICAL & MARKETING REPORT

VCR's, air filters, microwaves report in as 81's hot products

Product Analysis: Microwave pricing becomes more crucial as the industry starts to mature

Pushing EER's: Cash rebates from power company promote energy-efficient appliance buys

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Executive Offices: 1515 Broadway, New York, NY 10036 212/869-1300

Jared Liebowitz . . . . publisher
Lee Rath . . . . editor
Aaron Neretin . . editorial and marketing consultant

EDITORIAL STAFF
Managing Editor . . . . Nancy Markov
Sr. Assoc. Editors . . . William Silverman
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Associate Editor . . . . Bill DeSiena
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Classified Manager . . . . Nancy Berman

SALES OFFICES
Eastern Regional Office:
1515 Broadway, NY 10036
Susan Matthews (212) 869-1300
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Robert Sarra, II (312) 463-1102
West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
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Merchandising

FOR OVER 56,000 RETAILERS & WHOLESALERS
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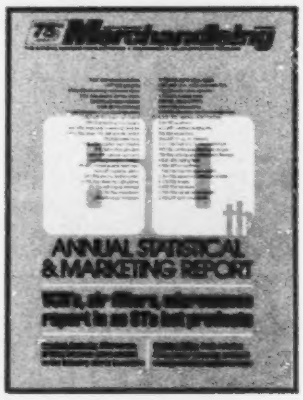
75th ANNIVERSARY



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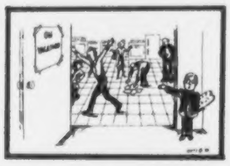

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STATISTICAL AND 60TH ANNUAL MARKETING REPORT

VCR's, air purifiers, computers, microwave ovens and cassette units report in among 81's hot products

Looking back, 1981 is going to be a year that few retailers will recall with any affection. For most, it was far from the best of times if not quite the worst.

Looking at the five-year tables that appear in this *60th Annual Statistical and Marketing Report*, it's easy to see that products registering decreased shipments last year far outweighed those reporting increases.

Consumers, caught with their disposable income down, simply were not in a buying mood. They chose not to buy the smaller-ticket goods. And high-priced items that would require financing were placed out of their reach by interest rates that remained high enough all year to effectively dry up consumer credit.

In addition, the housing market entered a state of hibernation that severely cut into shipments of most major appliances and some housewares.

In the end, a number of retailers chose to cut their inventories to the bone, sit back and hope that it would all be over soon.

For those that did not, however, there were some rewards as a few bright spots surfaced.

One was video. Perhaps it was merely registering many consumers' interest in the latest electronic novelty. Or maybe it was more

Maybe consumers were willing to spend their money if it granted them a degree of escape from the real world where a stripped down family sedan cost $7,000, a modest house in the suburbs went for more than $100,000 and a summer vacation was little more than something to dream about. Maybe $750 for a VCR wasn't too much to pay for a little fun.

Across the board, many of the electronics products that registered increased shipments last year were ones that involved at-home entertainment:

- Projection TV shipments rose 41.6 percent.
- VCR shipments rose 65.4 percent.
- Video camera shipments rose 61.7 percent.
- TV game shipments rose 42.9 percent.

The pleasure principle also carried over into the audio category where portable tape units showed a 15.3 percent jump in shipments, one of the largest increases.

Apparently, consumers weren't interested in making the investment in a standard home audio system (unless it was to add a cassette deck to an existing system). But the portable hifi products did capture their attention.

Upgrading generates sales

A segment of the population, cut off from making major new purchases such as homes or cars, chose to upgrade what they already owned.

For their cars, they bought stereo systems, boosting shipments of in-dash cassette deck/radios by 16.6 percent over the previous year.

At home, the urge to improve brought about a mini-boom in kitchen remodeling that generated some action in the major appliance area.

Once gain, however, it was the products that made life a little easier or enjoyable that really benefited from the trend.

Take microwave ovens, for example. The consumer's love of speed, affection for gadgets and adoration of anything that could take some of the drudgery out of family cooking chores propelled that product's shipments ahead 22.9 percent last year.

And what was one of the hottest products in housewares? Hand-held massagers. Talk about looking for a bit of coddling. Shipments were up 8.9 percent, and this was one of the few products in housewares to register any kind of a gain.

Other factors cited

For other products that registered increases in units shipped, the reasons why were more apparent and easy to discern.

Smoke detector shipments jumped 15.9 percent largely on the strength of local ordinances requiring every dwelling to have at least one.

A hot and early summer sent room air conditioner shipments up 11.3 percent.

The desire to cut the electric bills, driven into the stratosphere by those air conditioners (and capture some of the feeling for "better days" gone by), helped increase shipments of ceiling fans by 31.6 percent.

Falling quartz prices made incredible accuracy in timepieces available in virtually every price range. Older clocks and watches suddenly looked obsolete, and it didn't cost that much to replace them with the latest in technological sophistication.

As a result, digital watch shipments last year increased by 11.5 percent while the clock category enjoyed an 8.5 percent boost.

High technology on its own was enough to attract new legions of consumers to products they had not even considered five years ago and change the way they think about others.

Personal computer shipments soared an amazing 60.9 percent, leading manufacturers and retailers alike to make heady predictions for the future of this category.

Until recently, hardly anyone ever considered buying a telephone. Now, however, it's starting to look attractive from a standpoint of price. And some of the new units on the market can do things Ma Bell never dreamed of. Shipments were up 13.8 percent last year.

Phone answerers as well continued to find more of a market as shipments climbed 20.4 percent for the year.

Tomorrow will be brighter

Overall, the prognosis for 1982 is somewhat improved over last year's. Those economic experts who are still willing to make predictions agree that the recession should show signs of ending by summer and that a recovery should be well underway by the third quarter at least.

Unfortunately, however, they also agree that it is not going to be a particularly speedy recovery. Something long and slow, albeit steady, is in order.

This should bode well, at least for Christmas sales on which so many retailers continue to rely to make their year.

Looking at the different categories, video should continue to lead the pack as far as growth and glamour go. VCR's show no signs of slowing down (unless the federal government loses its senses completely and clamps down on home recording).

If problems with cable-ready sets can be ironed out, that product should show good growth. Large-screen TV shipments are projected to continue to increase.

Even videodiscs, one of the most maligned categories in recent history, looks like it might have a future after all as manufacturers learn through trial and error that it's the disc, not the player, where they're going to make money.

In audio, the industry is looking to the digital disc to breathe some new life into the category. The video revolution may help too. With better fidelity sound due soon from VCR's, videodisc players and televisions, it could behoove some consumers who have been spending so much on video to uprgrade their audio systems as well.

Home computers should continue on the fast track in personal electronics as more and more retailers get into selling the product and synch into the lucrative aftermarket as well. Meanwhile, the changes at AT&T should work wonders for phone sales.

The major appliance industry is counting on an improved economy, lower interest rates and a resultant resurgence in the housing industry to help boost volume.

Finally, a general improvement in the economy should give housewares a shot in the arm, especially come Christmas. And some exciting new products at the Housewares Show this summer would just be so much icing on the cake.

—Lee Rath
editor

Statistical matter for this survey was collected and compiled by Selma Book, market research manager, and Roberta Janasz, research associate.

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MAJOR APPLIANCES

PRODUCTS	1981		1980		1979		1978		1977	
	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)
AIR TREATMENT										
Air Cleaners, Electronic, Total	**230**	**90,955**	**224**	**82,912**	**247**	**87,370**	**231**	**85,467**	**220**	**78,770**
Portable (room type)	65	17,563	60	15,180	56	12,880	53	8,215	50	8,050
Central and duct-mounted	165	73,392	164	67,732	191	74,490	178	77,467	170	70,720
Air Conditioners, Room	3,547	1,426,355	3,187	1,185,564	3,749	1,327,146	4,037	1,312,025	3,270	912,330
Dehumidifiers	601	102,272	718	110,572	684	97,812	441	61,740	314	46,786
Total Air Treatment	**4,378**	**1,619,582**	**4,129**	**1,379,048**	**4,680**	**1,512,328**	**4,709**	**1,459,232**	**3,804**	**1,037,886**
KITCHEN APPLIANCES										
Dishwashers, Total	**2,573**	**952,263**	**2,721**	**959,454**	**3,488**	**1,138,216**	**3,557**	**1,081,750**	**3,356**	**993,780**
Portable	313	124,086	393	146,982	504	174,384	586	190,450	651	181,280
Undercounter & Other	2,260	828,177	2,328	812,472	2,984	963,832	2,971	891,300	2,705	811,500
Disposers, Food Waste	3,067	320,930	2,885	276,960	3,316	295,124	3,313	284,918	2,941	323,510
Freezers, Total (10 cu. ft. & over)	**1,589**	**723,635**	**1,715**	**731,402**	**1,859**	**699,270**	**1,522**	**499,300**	**1,598**	**489,962**
Chest	891	393,216	951	393,714	1,001	360,360	835	258,850	852	238,560
Upright	698	330,419	764	337,688	858	338,910	687	240,450	746	251,402
Microwave Ovens, Total	**4,407**	**2,105,699**	**3,585**	**1,612,354**	**2,815**	**1,310,950**	**2,422**	**1,142,300**	**2,175**	**982,325**
Counter-Top	4,104	1,789,344	3,320	1,347,920	2,535	1,039,350	2,190	919,800	2,000	820,000
Combination Units	303	316,355	265	264,434	280	271,600	232	222,500	175	162,325
Ranges, Electric, Total	**2,413**	**1,026,028**	**2,544**	**1,048,176**	**3,003**	**1,151,502**	**3,218**	**1,132,050**	**3,009**	**919,071**
Free-Standing†	1,852	799,188	1,952	817,888	2,244	870,672	2,337	841,320	2,193	699,567
Built-In†	561	226,840	592	230,288	759	280,830	881	290,730	816	219,504
Ranges, Gas, Total	**1,501**	**619,473**	**1,534**	**582,877**	**1,794**	**643,498**	**1,797**	**618,618**	**1,753**	**536,605**
Free-Standing, Set-In†	1,306	513,258	1,323	477,603	1,538	524,458	1,546	511,395	1,494	431,766
High-Oven	96	63,744	107	63,986	128	71,552	123	62,976	126	61,614
Built-In†	99	42,471	104	41,288	128	47,488	129	44,247	133	43,225
Ranges, Smooth-Top	134	80,400	155	93,000	220	139,040	249	137,697	274	147,412
Refrigerators (6.5 cu. ft. & over)	4,997	3,227,262	5,173	3,093,454	5,701	3,186,859	5,890	3,227,720	5,707	2,425,475
Trash Compactors	209	59,590	234	61,776	293	73,543	300	72,300	277	66,480
—Duplication††	−437	−396,755	−420	−357,434	−500	−410,640	−481	−360,197	−449	−309,737
Total Kitchen Appliances	**20,453**	**8,718,525**	**20,126**	**8,102,019**	**21,989**	**8,227,362**	**21,787**	**7,836,456**	**20,641**	**6,574,883**
HOME LAUNDRY										
Dryers, Total (25" or more in width)	**2,892**	**921,090**	**2,933**	**858,442**	**3,333**	**905,517**	**3,392**	**863,611**	**3,339**	**929,599**
Electric	2,221	692,950	2,257	645,502	2,565	679,725	2,635	651,651	2,603	716,895
Gas	671	228,140	676	212,940	768	225,792	757	211,960	736	212,704
Washers, Total (25" or more in width)	**4,195**	**1,676,135**	**4,254**	**1,641,930**	**4,666**	**1,706,364**	**4,728**	**1,711,290**	**4,648**	**1,731,206**
Automatic & Semi-Auto	4,081	1,648,724	4,122	1,611,702	4,480	1,666,560	4,528	1,670,690	4,454	1,690,660
Wringer & Spinner	114	27,411	132	30,228	186	39,804	200	40,600	194	40,546
Total Home Laundry	**7,087**	**2,597,225**	**7,167**	**2,500,372**	**7,999**	**2,611,881**	**8,120**	**2,574,901**	**7,987**	**2,660,805**
COMPACT APPLIANCES										
Refrigerators (Under 6.5 cu. ft.)	534	103,852	543	101,541	498	86,154	549	96,075	366	60,390
Freezers (Under 10 cu. ft.)	291	87,300	310	86,800	282	70,500	262	52,400	245	47,775
Washers (24" or less in width)	284	82,110	266	73,948	299	75,647	310	70,990	285	62,770
Dryers (24" or less in width)	206	66,950	207	66,033	218	63,220	229	64,349	214	57,780
Total Compact Appliances	**1,315**	**340,212**	**1,326**	**328,322**	**1,297**	**295,521**	**1,350**	**283,814**	**1,110**	**228,715**
GRAND TOTAL— MAJOR APPLIANCES	33,233	13,275,544	32,768	12,309,761	35,965	12,647,092	35,966	12,154,403	33,542	10,502,289

†Include Microwave Oven Combinations
††Microwave Oven Combinations and Smooth-Top Ranges

60TH STATISTICAL AND MARKETING REPORT

MAJOR APPLIANCE HIGHLIGHTS

ROOM AIR CONDITIONER SHIPMENTS BY EER RATING

Type	1981 Units (000)	Percent of Total	1980 Units (000)	Percent of Total	Percent of Change 1981/1980
High (7.5 & Over)	1,511	43%	1,273	40%	+18.7%
Low (Under 7.5)	2,036	57	1,914	60	+ 6.4
Total	3,547	100%	3,187	100%	+11.3%

ROOM AIR CONDITIONER SHIPMENTS BY SIZE OF UNIT

Size in BTU's	1981 Units (000)	Percent of Total	1980 Units (000)	Percent of Total	Percent of Change 1981/1980
Under 7,000	1,028	29%	956	30%	+ 7.5%
7,000-10,999	958	27	924	29	+ 3.7
11,000-19,999	1,277	36	1,020	32	+25.2
20,000 & Over	284	8	287	9	− 1.0
Total	3,547	100%	3,187	100%	+11.3%

ELECTRONIC AIR CLEANERS BY TYPE

	1981		1980	
Type	Units (000)	Retail Sales (000)	Units (000)	Retail Sales (000)
Portable Room	65	$17,563	60	$15,180
Central & Duct-Mounted	165	73,392	164	67,732
Total	230	$90,955	224	$82,912

FREEZER SHIPMENTS BY SIZE OF UNIT

Size in Cubic Feet	1981 Units (000)	Percent of Total	1980 Units (000)	Percent of Total	Percent of Change 1981/1980
10-14	307	19%	320	19%	−4.1%
15	350	22	369	21	− 5.1
16 & 17	334	21	369	21	−9.5
18 & 19	169	11	185	11	−8.6
20 & Over	429	27	472	28	−9.1
Total	1,589	100%	1,715	100%	−7.3%

FREEZER SHIPMENTS BY DEFROSTING SYSTEM

Type	1981 Units (000)	Percent of Total	1980 Units (000)	Percent of Total	Percent of Change 1981/1980
No Frost	137	9%	154	9%	−11.0%
All Other	1,452	91	1,561	91	− 7.0
Total	1,589	100%	1,715	100%	− 7.3%

MICROWAVE OVEN/RANGE COMBINATION SHIPMENTS BY TYPE OF UNIT

	1981		1980	
Type	Units (000)	Retail Sales (000)	Units (000)	Retail Sales (000)
Single Cavity	54	$ 51,084	45	$ 39,420
Double Oven, Gas	32	32,864	26	25,194
Double Oven, Electric	217	232,407	194	199,820
Total	303	$ 316,355	265	$264,434

Air treatment, food waste disposer, microwave, compact washer areas brave housing slump to show growth

High interest rates, the building slump and retailers' caution in stocking inventories all took their toll on major appliance shipments in 1981. Only four product categories showed unit gains last year—microwaves, air treatment, food waste disposers and compact washers.

Total kitchen appliances showed only a 1.6 percent gain, home laundry a 1.4 percent decline. With the addition of compact appliances in the calculations, total major appliances showed an increase of 1.4 percent.

Microwaves lead the pack

Not surprisingly, microwave ovens were the star of major appliance shipments last year with a 22.9 percent gain for the total category. Market saturation is now estimated at around 24 percent and some industry spokesmen are projecting a high of 29 percent by year's end.

But while an increasingly larger penetration of households is desirable, it also means that manufacturers will see the market become even more competitive. The rapid growth of the past few years has already started to slow in its intensity in some markets as this category becomes more mature.

With shipments of 4,104,000 units, countertop models still account for the lion's share of the business as compared to combination ovens. Above-the-range units and special hoods provided a boost to the countertop category by enabling consumers to purchase an oven without giving up their valuable counter space.

Although combination units represented only about seven percent of the microwave market, it is significant that they registered a gain of 14.3 percent last year.

Disposable income is short, yet sales in this area tend to average almost $1,000 a unit at retail. The category showed a decline in 1980 which industry spokesmen reported was largely due to the slump in home building, a situation which has still not reversed itself.

Evidently, the current strength of the remodeling market has been a factor here. Said one supplier, "Only one out of every five new kitchens is being built in a new home. The other four are remodeling jobs. Consumers are trading up to better products with multiple features and options, i.e. microwave combinations."

Both gas and electric double oven/microwave combinations gained ground in 1981 but more noteworthy is the growth of the single-cavity category from 45,000 units to 54,000, indicating a growing interest in this area. For more than a few seasons now,

(Continued on page 22)

REFRIGERATOR SHIPMENTS BY DEFROSTING SYSTEM*

Type	1981 Units (000)	Percent of Total	1980 Units (000)	Percent of Total	Percent of Change 1981/1980
No-Frost	4,351	87%	4,513	87%	−3.6%
All Other	646	13	660	13	−2.1
Total	4,997	100%	5,173	100%	−3.4%

GAS RANGE SHIPMENTS BY CLEANING SYSTEM

Type	1981 Units (000)	Percent of Total	1980 Units (000)	Percent of Total	Percent of Change 1981/1980
Self-Cleaning	187	13%	184	12%	+1.6%
Continuous Cleaning	483	32	506	33	−4.5
All Other	831	55	844	55	−1.5
Total	1,501	100%	1,534	100%	−2.2%

REFRIGERATOR SHIPMENTS BY SIZE OF UNIT

Size in Cubic Feet	1981 Units (000)	Percent of Total	1980 Units (000)	Percent of Total	Percent of Change 1981/1980
6.5 to 11	290	6%	311	6%	−6.8%
12 & 13	400	8	438	8	−8.7
14 & 15	1,160	23	1,166	23	−0.5
16 & 17	1,162	23	1,166	23	−0.3
18 & 19	940	19	980	19	−4.1
20 & 21	555	11	592	11	−6.3
22 & Over	490	10	520	10	−5.8
Total	4,997	100%	5,173	100%	−3.4%

ELECTRIC RANGE SHIPMENTS BY CLEANING SYSTEM

Type	1981 Units (000)	Percent of Total	1980 Units (000)	Percent of Total	Percent of Change 1981/1980
Self-Cleaning	1,020	42%	1,018	40%	+0.2%
Continuous Cleaning	459	19	509	20	−9.8
All Other	934	39	1,017	40	−8.2
Total	2,413	100%	2,544	100%	−5.1%

SMOOTH-TOP RANGES BY TYPE OF UNIT

Type	1981 Units (000)	Percent of Total	1980 Units (000)	Percent of Total	Percent of Change 1981/1980
Free-Standing	96	72%	110	71%	−12.7%
Built-In	38	28	45	29	−15.6
Total	134	100%	155	100%	−13.5%

REFRIGERATOR SHIPMENTS BY FREEZING COMPARTMENT*

Type	1981 Units (000)	Percent of Total	1980 Units (000)	Percent of Total	Percent of Change 1981/1980
Top-Mount	3,732	75%	3,797	73%	− 1.7%
Bottom-Mount	105	2	106	2	− 0.9
Side-By-Side	789	16	856	17	− 7.8
Single Door	371	7	414	8	−10.4
Total	4,997	100%	5,173	100%	− 3.4%

*For Refrigerators 6.5 cu. ft. and over

(Continued from page 20)

retailers have been reporting a lack of success in selling these $1,000 appliances because, they said, "the consumer just doesn't understand the concept."

And although the manufacturing community is apparently getting more involved—at least four suppliers are in this market currently and another two are reportedly eyeing it—suppliers too have been saying that it's a category which is just too soon for its time.

E.E.R.'s gain market share

By now, most air conditioner manufacturers have either made or broken their pre-season sales expectations and have positioned themselves for what they hope will be another strong season.

Room units climbed 11.3 percent last year over 1980's total of 3,187,000 units. But the gain could have been higher if long lead times didn't prevent many suppliers from being able to turn out product quickly once the pipelines were emptied.

Of the units shipped to retail operations, much of the growth came in large-sized units between 11,000 and 19,999 BTU's. The gain registered was 25.2 percent over 1980 to 1,277,000 units or 36 percent of the models shipped.

The idea of energy efficiency also continues to gain ground. Although some shipments are governed by state regulations, more consumers, said both retailers and manufacturers, are looking at the overall cost of owning the unit over a period of years and not just at the price tag on the selling floor. Consequently, merchants are stocking more high-E.E.R. models.

Units with high E.E.R.'s (7.5 and over) represented 43 percent of the units shipped in 1981 compared to 40 percent in 1980.

Convenience appliances gain

Only two other categories showed growth in unit shipments for 1981. Food waste disposers jumped 6.3 percent to 3,067,000 units. While a builder-related product, disposers have also found a niche in the replacement market as many consumers no longer consider them luxuries, but rather "necessities."

Most likely, many of the units which were shipped to retail operations last year were for this market—to replace those units installed during the housing boom of the early 70's.

But while many condos and apartments are equipped with appliances like disposers and dishwashers, laundry is not always one of the offerings. This may explain why compact washers jumped in industry shipments for 1981 to 284,000 units.

—Nancy Markov
managing editor

HOME & AUTO ELECTRONICS

	1981		1980		1979		1978		1977	
PRODUCTS	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)
VIDEO										
TV, B&W, Total	**5,766**	**615,659**	**6,149**	**684,891**	**6,281**	**681,867**	**6,064**	**701,134**	**5,664**	**650,913**
Portable & Table	5,752	612,300	6,132	680,763	6,258	675,864	6,030	693,450	5,617	640,338
Console & Combo	14	3,359	17	4,128	23	6,003	34	7,684	47	10,575
TV, Color, Total	**11,262**	**5,664,969**	**10,855**	**5,283,773**	**9,793**	**4,617,829**	**10,236**	**4,992,654**	**9,107**	**4,438,234**
Portable & Table	8,788	3,880,869	8,418	3,560,814	7,530	3,094,830	7,618	3,207,178	6,600	2,778,600
Console & Combo	2,474	1,784,100	2,437	1,722,959	2,263	1,522,999	2,618	1,785,476	2,507	1,659,634
TV, Projection	109	271,878	77	209,902	63	182,700	54	124,200	20	38,000
Videocassette Recorders	1,330	1,057,058	804	699,966	478	431,292	402	356,480	225	247,500
Video Cameras	186	186,309	115	120,056	73	62,048	61	30,898	—	—
TV Games	2,501	323,765	1,750	204,500	1,685	125,555	2,585	163,075	5,420	263,550
AUDIO/HIFI										
Components, Total	**14,299**	**1,640,549**	**14,700**	**1,772,249**	**14,562**	**1,704,735**	**13,190**	**1,497,230**	**12,045**	**1,323,775**
Receivers	1,440	419,746	1,465	414,595	1,450	398,750	1,320	442,200	1,185	392,235
Amps, Pre-Amps, Tuners	551	173,058	533	160,966	554	155,120	370	111,740	320	96,640
Turntables (Excluding OEM)	2,304	321,754	2,336	310,688	2,433	316,290	2,200	281,600	2,015	251,875
Cartridges (Excluding OEM)	3,699	115,409	3,745	112,350	3,500	98,000	3,200	89,600	3,000	81,000
Speakers (Components Only)	3,197	453,814	3,735	623,578	3,850	600,600	3,500	476,000	3,125	415,625
Headphones	3,108	156,768	2,886	150,072	2,775	135,975	2,600	96,200	2,400	86,400
Compact Systems, Total†	**3,578**	**692,764**	**3,945**	**883,705**	**4,341**	**939,028**	**4,474**	**962,979**	**4,508**	**914,896**
Cassette Bimode	77	15,015	80	14,880	73	14,162	53	9,275	45	7,515
8-Track Player Bimode	248	25,594	310	39,990	383	54,769	603	102,510	631	104,115
8-Track Player Trimode***	572	74,646	637	110,838	777	140,637	1,038	221,094	1,081	222,685
8-Track Recorder Bimode	274	29,099	321	56,817	417	79,230	600	120,000	685	128,780
Changer Bimode***	200	23,460	233	32,154	268	37,788	350	38,500	399	41,496
8-Track Recorder Trimode***	783	125,515	974	223,046	1,188	283,932	1,500	382,500	1,397	342,265
Cassette Trimode, Quadmode***	1,424	399,435	1,390	405,980	1,235	328,510	330	89,100	270	68,040
Portable Tape, Total	**17,393**	**763,612**	**15,084**	**817,734**	**13,665**	**693,435**	**13,313**	**690,191**	**12,314**	**591,111**
Cassette	16,025	692,280	13,720	740,880	12,250	600,250	11,600	568,400	10,500	462,000
8-Track Players	824	37,080	913	45,650	1,100	67,100	1,513	101,371	1,637	109,679
8-Track Recorders	43	4,102	42	4,452	57	7,125	85	11,220	102	13,056
Microcassette Recorders	501	30,150	409	26,752	158	18,960	115	9,200	75	6,376
Tape Decks, Total	**784**	**173,426**	**716**	**178,038**	**675**	**183,510**	**650**	**182,290**	**591**	**162,375**
Cassette	634	129,596	545	117,265	495	113,850	440	103,840	385	88,165
8-Track	60	8,460	68	10,200	72	10,800	95	15,200	97	15,132
Open Reel	90	35,370	103	50,573	108	58,860	115	63,250	109	59,078
Console Stereo**	450	88,830	470	98,700	540	108,000	600	186,000	725	253,750
Radios, Total	**27,881**	**863,475**	**27,012**	**867,693**	**28,550**	**918,750**	**32,478**	**1,056,190**	**41,800**	**1,168,000**
Table	986	41,215	1,053	46,332	1,250	56,250	1,505	67,725	1,800	72,000
Portable	17,493	424,555	16,613	382,099	17,100	393,300	20,266	506,650	28,000	616,000
Clock	9,402	397,705	9,346	439,262	10,200	469,200	10,707	481,815	12,000	480,000
AUTO SOUND										
Autosound, Total	**19,251**	**1,606,404**	**18,362**	**1,486,839**	**18,630**	**1,518,225**	**17,855**	**1,283,680**	**8,644**	**824,062**
UD 8-Track Player	708	34,982	871	47,034	1,300	78,000	1,600	78,400	1,900	87,400
UD 8-Track/Radio Combo	208	16,099	275	23,650	500	48,000	500	41,000	555	43,845
ID 8-Track/Radio Combo	1,722	152,914	1,950	214,500	2,500	342,500	2,600	296,400	2,590	292,670
UD Cassette Player	722	56,316	822	64,116	775	58,900	700	58,800	750	60,750
UD Cassette/Radio Combo	607	77,271	605	81,070	605	75,625	555	75,480	550	70,400
ID Cassette/Radio Combo	2,899	485,409	2,486	400,246	2,200	343,200	1,700	255,000	1,233	183,717
Radios Only (Retrofit)	1,082	120,492	1,188	137,808	1,250	135,000	1,000	83,000	1,066	85,280
Car Speakers (In Pairs)	11,303	662,921	10,165	518,415	9,500	437,000	9,200	395,600	—	—
Radios, Citizens Band, Total	**1,522**	**125,878**	**1,412**	**111,706**	**1,590**	**130,210**	**4,736**	**393,260**	**7,182**	**571,620**
Base Units	162	17,350	169	17,238	190	24,885	686	109,760	1,005	201,000
Mobile Units	1,360	108,528	1,243	94,468	1,400	105,325	4,050	283,500	6,177	370,620
BLANK TAPE										
Blank Tape, Total	**273,104**	**1,038,774**	**260,063**	**852,416**	**244,753**	**686,931**	**268,500**	**805,100**	**249,090**	**478,282**
Audio	246,393	629,125	244,747	594,812	234,786	511,259	263,000	710,100	246,090	436,282
Cassette	228,147	542,990	218,689	487,676	203,986	399,509	220,000	564,000	200,000	324,000
Open Reel	8,018	70,077	8,864	74,812	9,200	72,558	11,000	69,100	12,250	41,895
8-Track	10,228	16,058	17,194	32,324	21,600	39,192	32,000	77,000	33,840	70,387
Video	26,711	409,649	15,316	257,604	9,967	175,672	5,500	95,000	3,000	42,000

**Included combinations in 1977-1978; combinations now included only under TV ***Includes Changer †All units include stereo radio

HOME & AUTO ELECTRONICS

PRODUCTS	1981 NUMBER SHIPPED (000)	1981 RETAIL SALES ($000)	1980 NUMBER SHIPPED (000)	1980 RETAIL SALES ($000)	1979 NUMBER SHIPPED (000)	1979 RETAIL SALES ($000)	1978 NUMBER SHIPPED (000)	1978 RETAIL SALES ($000)	1977 NUMBER SHIPPED (000)	1977 RETAIL SALES ($000)
PERSONAL ELECTRONICS										
Calculators, Total	**28,260**	**831,840**	**26,502**	**841,280**	**25,380**	**843,063**	**23,341**	**914,589**	**22,089**	**876,767**
Hand-Held, Total	**23,905**	**409,481**	**22,288**	**419,514**	**21,317**	**425,333**	**20,111**	**494,739**	**18,808**	**425,872**
Mini-Card	2,760	46,920	2,754	57,834	2,598	57,156	2,050	61,500	—	—
Printer	824	44,496	659	47,448	573	47,559	475	41,800	—	—
Programmable	106	14,840	88	13,640	82	13,530	75	13,875	69	13,614
Other	20,215	303,225	18,787	330,592	18,064	307,088	17,511	377,564	—	—
Desk-Top, Total	**4,355**	**422,359**	**4,214**	**421,766**	**4,063**	**417,730**	**3,230**	**419,850**	**3,281**	**450,895**
Display Only	915	55,815	927	54,693	946	56,760	930	60,450	866	62,020
Printer Only	1,123	95,455	1,095	95,265	1,106	99,540	1,400	197,400	2,000	300,000
Printer/Display	2,317	271,089	2,192	271,808	2,011	261,430	900	162,000	395	88,875
Digital Watches	23,595	625,268	21,163	623,030	19,717	648,654	17,750	642,500	15,600	686,400
Telephones*	2,733	204,995	2,402	170,964	2,100	132,196	1,418	67,220	—	—
Telephone Answering Devices	697	111,520	579	92,640	495	80,685	400	84,000	300	60,000
Non-Video Electronic Games	16,539	—	19,702	—	16,083	—	5,656	—	—	—
Personal Computers	597	—	371	—	246	—	212	—	180	—
Radar Detectors	518	87,542	549	86,193	610	82,350	850	—	550	—

*Does not include cordless models

Video shows consistent gains; cassette products pace audio; computers lead personal gear

Video held center stage in electronics products last year, turning in a solid round of shipments that registered in the plus column.

While a few older products slipped slightly, the general mood in video was boom, boom and more boom as consumers continued to shift more of their disposable income into this newly discovered arena.

If any category suffered directly from the competition, it was audio. Shipments were sluggish at best for many products. Only a small spot of relief showed up in the form of some kinds of automobile sound equipment and the cassette recorder segment.

In fact, sales of personal portable stereos proved so explosive in '81, they were impossible to track.

In personal electronics, home computers, phones and videogames were the glamour items last year. But a number of other products racked up steady gains as well.

All in all, the category holds a lot of promise for the future as today's rumblings portend greater things to come.

Video moves outdoors

The rapidly growing video market is moving outside the home at a swift rate as the portable videocassette recorder business expands in leaps and bounds.

As more consumers begin to take their video equipment on the road to use on vacations, to tape Little League games or make home movies, sales of portable VCR's, color video cameras and blank videotape are doubling.

Because portable sales in general are more profitable for the retailer—much-needed accessories make good add on's that can hike the final bill—more retailers are expanding their portable lines. In addition, the introduction of "convertible VCR's," units that can be used as both home and portable decks, are making their way into most video manufacturers' lines.

Video packages, consisting of a portable VCR and a color camera, are being touted by a large number of retailers across the country, with the average ticket prices in the $1,500 range.

Even though the prerecorded videotape business is more active than ever, with more variety finally available, blank tape sales are at their highest level. This trend still supports the argument that a majority of VCR owners use the unit mainly for time-shift purposes.

Although it is still considered a high-ticket, upper-class commodity, projection television is growing strongly. Now that all the major manufacturers are involved, many consumers feel more comfortable buying an expensive item from a company that they are familiar with.

Admittedly, the price of this product may never drop below the $2,500 to $3,000 range, but manufacturers and retailers alike hold fast to the belief the product will thrive.

Retailers have been highlighting projection TV's in both advertisements and by placing them in prominent home-like atmosphere's in the store. Unique merchandising of the product has made it a successful high-ticket item for many.

Despite the recession and the current credit crunch, it is obvious that video is one product area that will continue to survive. This stay-at-home type of merchandise appears to be much in demand.

The audio end of the industry should look so good.

Bright lights last year included cassette tape equipment of all kinds. Portable units, both with radios and without, sold well.

Component cassette decks also showed steady growth as consumers, who already own component systems, seek to upgrade them by purchasing add-on products. Equalizers also benefited from this trend.

In-dash automobile cassette/radio combos also sold well as did car speakers. And microcassette recorders showed an increase as did certain kinds of portable radios.

That, however, was about it for audio. The rest of the products managed to do little more than hold their own. Many saw shipments decline.

The video boom, it seems, has siphoned off a good deal of the disposable income consumers might consider spending for audio equipment. And while manufacturers and retailers alike continue to look for the imminent "marriage" of the two industries to give sales a shot in the arm, that day has not yet arrived.

In the meantime, despite all the publicity, matched, racked component systems apparently did little to expand the audio market in 1981. And portable tape products, while doing well, cannot make up the dollar volume eroded from components and compact systems.

Computers take off

In the personal electronics category, the strong potential of personal computers has already begun to translate into plus sales for a wide variety of retailers. While strongest growth has been for business-oriented uses, increased promotion has given a boost to lower-cost home systems. Every month, more home electronics retailers take on the category.

Another product with ever-brightening prospects is the telephone. The proposed splitting up of the Bell system recently helped to point up the attractive possibilities of ownership.

In particular, the cordless phone has shown strong growth in sales. Improved second-generation models now appearing will prove even more popular than some of the less-sophisticated products available in 1981.

Last year, sales plummeted in low-priced handheld sports games. Once retailers' shelves were finally bare, many refused to restock these items. Most of the electronic game action now centers around arcade replicas. Play-and-learn and strategy games also continue to advance.

The handheld printer has emerged a big winner for many calculator retailers. As the market has become more competitive, manufacturers' prices have dropped slightly again for '82. Low-end wallet-size calc prices have also fallen a bit. Sales of solar models have begun to grow strongly.

Although unit sales of digital watches increased 11.5 percent last year, dollar sales have leveled off. This can be partly attributed to a slowdown in the over-$40 category. Fast sellers include thin models and those with calculators, chronographs, alarms and games.

—Pamela Golden
senior associate editor

—Lee Rath
editor

—William Silverman
senior associate editor

VIDEO

COLOR TV SHIPMENTS BY SCREEN SIZE

Screen Size	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
9 in.	472	426	+10.8%
12 & 13 in.	1,790	1,641	+ 9.1
14 & 15 in.	296	308	− 3.9
16 & 17 in.	370	382	− 3.1
18 & 19 in.	5,538	5,320	+ 4.1
21 in.	176	195	− 9.7
23 in.	253	275	− 8.0
Console & Combo	215	233	− 7.7
Table	38	42	− 9.5
25 in.	2,367	2,308	+ 2.6
Console & Combo	2,264	2,204	+ 2.7
Table	103	104	− 1.0
Total	11,262	10,855	+ 3.8%

COLOR TV SHIPMENTS

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
With Remote Control	3,484	2,787	+25.0%
Without Remote Control	7,778	8,068	− 3.6
Total	11,262	10,855	+ 3.8%

VIDEO CAMERA SHIPMENTS BY TYPE

	1981		1980	
	Units (000)	Retail Sales ($000)	Units (000)	Retail Sales ($000)
B&W	11	$ 2,797	16	$ 5,216
Color	175	183,512	99	114,840
Total	186	$186,309	115	$120,056

VIDEOCASSETTE RECORDER SHIPMENTS BY FORMAT

	1981		1980	
	Units (000)	Retail Sales ($000)	Units (000)	Retail Sales ($000)
Beta	336	$ 257,594	225	$191,025
VHS	994	799,464	579	508,941
Total	1,330	$1,057,058	804	$699,966

VIDEOCASSETTE RECORDER SHIPMENTS BY TYPE

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Portable VCR	289	122	+136.9%
Deck VCR	1,041	682	+ 52.6
Total	1,330	804	+ 65.4%

TV GAME SHIPMENTS BY TYPE

	1981		1980	
Type	Units (000)	Retail Sales ($000)	Units (000)	Retail Sales ($000)
Non-Programmable	442	$ 11,147	450	$ 10,800
Programmable	2,059	312,618	1,300	193,700
Total	2,501	$323,765	1,750	$204,500

B&W TV SHIPMENTS BY SCREEN SIZE

Screen Size	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Mini Combination Units	483	396	+22.0%
9 in. & Under (Excluding mini-combination units)	756	738	+ 2.4
12 in.	3,921	4,219	− 7.1
13 & 15 in.	106	143	−25.9
16 & 17 in.	90	125	−28.0
18 & 19 in.	396	507	−21.9
22 in.	14	21	−33.3
Console & Combo	11	17	−35.3
Table	3	4	−25.0
Total	5,766	6,149	− 6.2%

BLACK & WHITE TV SHIPMENTS

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Battery-powered	1,612	1,562	+3.2%
Non-battery-powered	4,154	4,587	−9.4
Total	5,766	6,149	− 6.2%

PRERECORDED VIDEOTAPE BY FORMAT

	1981		1980	
	Units (000)	Retail Sales ($000)	Units (000)	Retail Sales ($000)
Beta	1,643	$111,724	1,123	$ 69,626
VHS	3,529	268,204	2,028	139,932
Total	5,172	$379,928	3,151	$209,558

PRERECORDED VIDEOTAPE

Type	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
General Interest	3,469	1,985	+74.8%
X-rated	1,703	1,166	+ 46.1
Total	5,172	3,151	+ 64.1%

BLANK VIDEOTAPE SHIPMENTS BY FORMAT

	1981		1980	
	Units (000)	Retail Sales ($000)	Units (000)	Retail Sales ($000)
Beta	9,361	$128,058	6,028	$ 90,420
VHS	17,350	281,591	9,288	167,184
Total	26,711	$409,649	15,316	$257,604

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PERSONAL ELECTRONICS

NON-VIDEO ELECTRONIC GAME SHIPMENTS

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Board	3,739	3,702	+ 1.0%
Hand-Held	12,800	16,000	−20.0
Total	16,539	19,702	−16.1%

DIGITAL WATCH SHIPMENTS BY TYPE

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Men's	17,163	15,043	+14.1%
Ladies'	6,432	6,120	+ 5.1
Total	23,595	21,163	+11.5%

CORDLESS TELEPHONE SHIPMENTS

1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
422	241	+75.1%

TELEPHONE SHIPMENTS

	1981		1980	
	Units (000)	Retail Sales ($000)	Units (000)	Retail Sales ($000)
Standard	1,090	$ 33,790	1,044	$ 32,364
Decorator	1,284	115,560	1,106	99,540
Advanced Electronic	359	55,645	252	39,060
Total	2,733	$204,995	2,402	$170,964

AUDIO

CASSETTE QUADMODE

1981		1980	
Units (000)	Retail Sales ($000)	Units (000)	Retail Sales ($000)
248	$70,978	330	$124,020

CASSETTE TAPE DECKS WITH METAL PARTICLE TAPE CAPABILITY

1981		1980	
Units (000)	Retail Sales ($000)	Units (000)	Retail Sales ($000)
80	$14,728	71	$18,673

BLANK CASSETTE SHIPMENTS BY TYPE

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Metal Particle Tape	926	481	+92.5%
Chromium Dioxide	7,859	6,734	+16.7
Ferrite Chrome	5,468	5,144	+ 6.3
*Premium Ferrite	116,640	103,957	+12.2
Promotional Ferrite	97,254	102,373	− 5.0
Total	228,147	218,689	+ 4.3%

*High coercivity ferrite, cobalt ferrite, etc.

HIFI SEPARATES

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Amps	301	291	+ 3.4%
Pre-Amp	57	58	− 1.7
Tuners	193	184	+ 4.9
Equalizers	155	134	+15.7
Total	706	667	+ 5.8%

RADIO

HOME RADIO SHIPMENTS BY POWER SOURCE

Type	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Plug-In	10,542	10,589	− 0.4%
Battery-Operated	9,282	8,103	+14.6
AC/DC Combo	8,057	8,320	− 3.2
Total	27,881	27,012	+ 3.2%

CLOCK RADIO SHIPMENTS BY TYPE

Analog	1,700	1,875	− 9.3%
Digital	7,702	7,471	+ 3.1
Electronic Display	5,736	5,117	+12.1%
Mechanical Leaf	1,966	2,354	−16.5
Total	9,402	9,346	+ 0.6%

SPECIALTY RADIO SHIPMENTS BY TYPE

Multi-band	7,022	6,768	+3.8%
Weather-band	1,038	1,007	+3.1
Scanners	920	837	+9.9

HOME RADIO SHIPMENTS BY TYPE

AM only	4,028	4,425	−9.0%
FM & AM/FM	23,853	22,587	+5.6
Total	27,881	27,012	+3.2%

CASSETTE/RADIO COMBO SHIPMENTS

1981		1980	
Units (000)	Retail Sales ($000)	Units (000)	Retail Sales ($000)
6,302	$478,592	4,878	$370,728

CITIZENS BAND RADIO SHIPMENTS BY TYPE

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Base Station Without Single Sideband	96	101	− 5.0%
Base Station With Single Sideband	66	68	− 2.9
Total Base Station	162	169	− 4.1%
Mobile Units Without Single Sideband	1,140	1,034	+10.3%
Mobile Units With Single Sideband	220	209	+ 5.3
Total Mobile Units	1,360	1,243	+ 9.4%
Total CB's	1,522	1,412	+ 7.8%

HOUSEWARES

PRODUCTS	1981		1980		1979		1978		1977	
	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)
KITCHEN ELECTRICS										
Bag Sealers	2,064	28,896	2,150	27,950	2,390	28,680	2,600	31,200	2,590	33,670
Blenders	4,823	110,929	4,673	102,806	5,025	105,525	5,660	113,200	5,250	120,750
Broilers, Total	**2,435**	**136,700**	**2,518**	**133,084**	**2,423**	**118,779**	**2,280**	**99,000**	**2,150**	**75,550**
With Rotisseries	420	31,920	441	31,311	464	30,624	460	25,300	450	21,150
Without Rotisseries	2,015	104,780	2,077	101,773	1,959	88,155	1,820	63,700	1,700	54,400
Can Openers, Total	**5,544**	**85,386**	**5,550**	**79,857**	**5,520**	**73,947**	**5,660**	**77,860**	**5,550**	**86,600**
Single Units	2,954	41,356	2,981	38,753	2,951	35,412	3,060	33,660	3,050	36,600
Combination Units	2,590	44,030	2,569	41,104	2,569	38,535	2,600	44,200	2,500	50,000
Coffee Grinders	375	7,500	361	6,859	368	6,624	382	6,474	350	5,600
Coffeemakers, Total	**12,655**	**347,983**	**12,957**	**338,388**	**12,104**	**298,280**	**10,500**	**265,000**	**9,970**	**239,680**
Automatic (1-16 cup)	2,850	62,700	3,051	61,020	2,906	50,855	2,200	37,400	2,180	34,880
Party Perc (Over 16 cup)	938	28,140	967	27,076	921	23,946	775	17,050	790	15,800
ADC	8,867	257,143	8,939	250,292	8,277	223,479	7,525	210,700	7,000	189,000
Cornpoppers, Total	**5,777**	**156,456**	**5,543**	**141,340**	**5,280**	**129,791**	**3,600**	**65,400**	**3,071**	**43,403**
Hot Air	2,703	91,902	2,540	81,280	2,117	69,856	800	24,000	—	—
Hot Oil	3,074	64,554	3,003	60,060	3,163	59,935	2,800	41,400	—	—
Crepe Pans	242	3,107	277	3,324	364	4,732	500	6,000	625	8,750
Deep Fryers	2,952	67,546	2,869	58,724	2,818	55,060	2,733	49,975	—	—
Egg Cookers	428	7,276	460	7,360	460	6,900	440	6,600	440	7,040
Fondues, Electric	177	4,602	195	4,680	215	4,945	250	3,500	250	4,000
Food Processors	3,186	197,532	3,180	203,520	3,000	183,000	2,000	120,000	700	59,500
Food Slicers	535	29,960	560	29,680	523	26,673	500	30,000	410	18,450
Frypan—Skillets	2,553	112,332	2,736	109,440	2,709	102,942	2,600	93,600	2,500	87,500
Griddles/Quick Grills	580	21,460	628	21,352	661	21,152	646	18,088	625	16,875
Hotplates & Buffet Ranges	807	22,596	795	20,670	803	20,075	761	15,220	735	15,435
Ice Cream Makers	1,327	29,194	1,332	27,972	1,306	25,467	1,333	33,325	1,262	26,502
Ice Crushers	196	4,704	195	4,290	188	3,760	177	3,540	200	3,800
Irons, Total	**10,882**	**326,442**	**11,184**	**317,149**	**10,340**	**286,590**	**10,451**	**298,039**	**8,736**	**236,232**
Steam & Steam/Spray	10,300	316,730	10,584	307,755	9,795	278,395	9,865	289,625	8,150	228,200
Automatic Dry	382	6,112	403	6,045	350	5,075	376	5,264	379	4,927
Travel	200	3,600	197	3,349	195	3,120	210	3,150	207	3,105
Knives, Electric Slicing	1,672	31,768	1,641	29,538	1,692	28,764	1,700	27,200	1,700	23,800
Mixers, Food, Total	**5,330**	**170,650**	**5,626**	**159,596**	**5,568**	**155,850**	**5,175**	**131,745**	**5,095**	**122,675**
Stand Type	1,281	89,670	1,268	81,152	1,457	85,963	1,255	69,025	1,250	65,000
Portable Hand	4,049	80,980	4,358	78,444	4,111	69,887	3,920	62,720	3,845	57,675
Slow Cookers	5,641	118,461	5,585	111,700	5,641	107,179	6,700	140,700	7,950	190,800
Toasters, Total	**9,249**	**289,900**	**9,291**	**267,988**	**8,916**	**252,136**	**8,100**	**219,600**	**7,400**	**189,500**
Two-Slice	4,643	97,503	4,709	94,180	4,576	91,920	4,000	80,000	3,600	68,400
Four-Slice	1,744	59,296	1,787	57,184	1,752	52,560	1,800	52,200	1,700	47,600
Toaster-Ovens	909	35,451	908	33,596	888	32,856	800	28,900	756	26,460
Toaster-Oven/Broilers	1,953	97,650	1,887	83,028	1,700	74,800	1,500	58,500	1,344	47,040
Waffle Irons/Sandwich Grills	1,141	29,666	1,141	27,384	1,119	24,618	1,034	17,578	1,058	19,044
Woks, Electric	550	23,100	566	22,074	578	22,542	550	24,750	500	10,000
Total Kitchen Electrics	**81,121**	**2,364,146**	**81,953**	**2,256,725**	**80,011**	**2,094,011**	**76,332**	**1,897,614**	**69,117**	**1,645,156**
AIR TREATMENT										
Fans*	14,453	639,277	13,430	552,704	12,930	503,537	12,098	359,574	10,921	296,207
Portable Electric Heaters, Total	**3,193**	**113,562**	**3,319**	**108,896**	**4,457**	**138,108**	**4,467**	**123,449**	**4,120**	**113,720**
Fan-Forced	2,760	95,766	2,854	91,328	3,805	114,150	3,887	104,949	3,600	97,200
Non-Fan-Forced	170	3,910	176	3,696	207	3,933	140	2,660	120	2,520
Baseboard	263	13,886	289	13,872	445	20,025	440	15,840	400	14,000
Humidifiers	869	93,852	821	86,205	850	80,750	940	84,600	1,200	108,000
Vaporizers	1,747	20,178	1,624	17,864	1,400	14,000	1,200	12,000	1,140	11,400
Total Air Treatment	**20,262**	**866,869**	**19,194**	**765,669**	**19,637**	**736,395**	**18,705**	**579,623**	**17,381**	**529,327**
FLOOR CARE										
Carpet Sweepers	1,499	34,477	1,404	29,484	1,300	26,000	1,200	21,600	1,160	17,400
Floor Polishers	441	25,578	451	24,805	512	27,136	520	23,400	530	21,200
Vacuum Cleaners, Total	**8,699**	**1,250,035**	**8,400**	**1,157,294**	**8,922**	**1,154,559**	**8,965**	**1,090,500**	**8,705**	**996,680**
Canisters	2,917	565,898	2,846	532,202	3,094	541,450	3,270	523,200	3,194	447,160
Upright	4,205	626,545	4,032	572,544	4,200	558,600	4,160	520,000	4,211	505,320
Lightweight	1,577	57,592	1,522	52,548	1,628	54,509	1,535	47,300	1,300	44,200
Total Floor Care	**10,639**	**1,310,090**	**10,255**	**1,211,583**	**10,734**	**1,207,695**	**10,685**	**1,135,500**	**10,395**	**1,035,280**

*Excludes ceiling fans

60TH STATISTICAL AND MARKETING REPORT

5 YEAR TABLES

HOUSEWARES

PRODUCTS	1981		1980		1979		1978		1977	
	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)	NUMBER SHIPPED (000)	RETAIL SALES ($000)
PERSONAL CARE										
Curling Irons/Styling Wands	6,339	54,994	6,496	58,340	6,463	58,868	6,200	75,500	6,000	78,000
Electric Blankets	5,161	175,474	5,586	173,166	5,125	143,500	4,900	127,400	4,490	112,250
Hair Dryers, Total	**18,359**	**309,375**	**18,365**	**317,034**	**18,488**	**312,670**	**18,970**	**353,935**	**16,495**	**388,755**
Portable With Bonnet	442	10,166	463	10,186	482	10,122	450	9,000	445	9,345
Hard-Top	601	22,237	582	19,788	539	16,979	495	13,860	510	13,770
Styling Dryers	4,308	83,489	4,940	93,860	5,200	96,044	6,625	125,875	6,400	128,000
Pistol Type	13,008	195,120	12,880	193,200	12,267	189,525	11,400	205,200	9,140	237,640
Hair Setters	2,832	64,838	2,735	58,721	2,382	51,800	1,989	41,255	1,800	36,100
Heating Pads	4,301	47,311	4,389	43,890	4,100	36,900	3,940	35,460	3,800	30,400
Massagers, Hand Held	940	15,341	863	13,808	830	13,280	798	12,768	780	12,480
Massagers, Shower (Heads)	2,110	52,750	2,017	46,391	1,885	37,229	2,035	40,700	1,700	42,500
Mirrors, Make-Up	1,689	37,158	1,682	35,322	1,633	34,293	1,490	32,780	1,400	33,600
Oral Hygiene Devices, Total	**1,654**	**33,756**	**1,656**	**31,242**	**1,650**	**27,721**	**1,540**	**25,480**	**1,365**	**18,900**
Water Pulsators	1,114	26,736	1,137	25,014	1,126	21,957	1,000	19,000	840	12,600
Toothbrushes, Electric	540	7,020	519	6,228	524	5,764	540	6,480	525	6,300
Saunas, Facial	620	11,780	583	10,494	550	9,763	440	7,040	450	7,200
Scales, Bathroom	8,974	167,364	8,652	143,766	8,106	114,870	7,152	69,732	6,188	55,692
Shavers, Total	**6,179**	**195,513**	**6,007**	**189,685**	**5,960**	**177,405**	**5,650**	**162,800**	**5,200**	**149,500**
Men's	4,882	170,870	4,722	165,270	4,675	154,275	4,450	142,400	3,900	128,700
Women's	1,297	24,643	1,285	24,415	1,285	23,130	1,200	20,400	1,300	20,800
Total Personal Care	**59,158**	**1,165,654**	**59,531**	**1,121,859**	**57,172**	**1,018,299**	**55,104**	**984,850**	**49,668**	**965,377**
CLOCKS										
Clocks, Total	**29,605**	**530,225**	**27,291**	**462,432**	**26,664**	**417,494**	**23,987**	**332,060**	**22,763**	**282,674**
Decorative Wall, Total	**5,808**	**252,721**	**5,127**	**212,319**	**5,066**	**194,828**	**4,477**	**152,764**	**4,150**	**110,617**
Analog	5,339	234,008	4,680	195,333	4,610	178,868	4,164	137,412	3,900	93,600
Digital	469	18,713	447	16,986	456	15,960	313	15,352	250	17,017
Kitchen Wall, Total	**6,959**	**105,177**	**6,295**	**91,737**	**6,284**	**82,322**	**6,061**	**66,048**	**5,510**	**61,050**
Analog	6,827	102,405	6,169	89,217	6,158	80,054	5,879	63,493	5,400	59,400
Digital	132	2,772	126	2,520	126	2,268	182	2,555	110	1,650
Alarm, Total	**15,880**	**145,771**	**14,955**	**134,260**	**14,417**	**119,146**	**12,756**	**97,379**	**12,423**	**97,157**
Analog	10,520	85,632	10,019	79,964	9,804	71,863	9,700	72,750	9,500	57,000
Digital	5,360	60,139	4,936	54,296	4,613	47,283	3,056	24,629	2,923	40,157
Desk/Table/Occasional, Total	**958**	**26,556**	**914**	**24,116**	**897**	**21,198**	**693**	**15,869**	**680**	**13,850**
Analog	928	25,056	887	22,820	870	20,010	680	15,300	670	13,400
Digital	30	1,500	27	1,296	27	1,188	13	569	10	450
COOKWARE & BAKEWARE										
Cookware & Bakeware, Total	**110,482**	—	**110,229**	**1,448,780**	**106,723**	**1,354,000**	**91,534**	**1,250,000**	**85,499**	**1,200,000**
Stainless Steel	25,194	—	24,652	—	26,225	—	24,313	—	22,539	—
Enamel	7,130	—	7,018	—	7,546	—	7,100	—	7,202	—
Aluminum	71,381	—	71,452	—	65,552	—	53,319	—	48,806	—
Cast Iron	4,378	—	4,608	—	4,850	—	4,302	—	4,322	—
Porcelain Enamel on Cast Iron	2,399	—	2,499	—	2,550	—	2,500	—	2,630	—
HOME SECURITY										
Home Security, Total	**12,956**	**235,339**	**11,864**	**205,242**	**12,308**	**209,230**	**13,500**	**278,250**	**12,490**	—
Smoke Detectors	7,267	116,272	6,270	94,050	6,600	94,200	8,500	153,000	7,000	—
Fire Extinguishers	4,710	32,970	4,700	32,900	5,000	35,000	4,500	31,500	5,000	—
Intrusion Systems	609	38,367	556	35,028	475	42,750	250	18,750	250	—
Smoke/Fire/Intrusion Systems	370	47,730	338	43,264	233	37,280	250	75,000	240	—
OUTDOOR PRODUCTS										
Barbecue Grills, Total	**12,180**	**314,830**	**11,572**	**282,060†**	**11,098**	**252,829†**	**11,070**	**219,650†**	**10,518**	**204,179†**
Gas	1,477	180,194	1,420	161,880†	1,327	139,335†	1,176	112,945†	1,050	116,797†
Electric	127	5,080	132	4,950†	136	5,100†	144	4,839†	140	5,413†
Charcoal	10,576	129,556	10,020	115,230†	9,635	108,394†	9,750	101,866†	9,328	81,969†
Power Mowers, Total	**6,026**	**2,225,736**	**6,456**	**2,297,944**	**6,814**	**2,260,480**	**6,315**	**1,262,250**	**6,085**	**1,062,700**
Powered Walk-Behind	5,270	1,191,020	5,530	1,166,830	5,760	1,094,400	5,350	535,000	5,200	488,300
Riding	580	616,540	723	692,634	812	682,080	735	404,250	670	313,400
Garden Tractors	176	418,176	203	438,480	242	484,000	230	322,000	215	261,000
Line Grass Trimmers	5,686	267,242	6,681	287,283	6,817	272,680	4,400	110,000	—	—
Snow Throwers, Walk-Behind, Total	**575**	**238,825**	**679**	**277,057**	**1,082**	**390,870**	**420**	**162,000**	**268**	—
Single Stage	425	137,275	470	144,760	784	219,520	270	74,250	163	—
2-Stage	150	101,550	209	132,297	298	171,350	150	87,750	105	—

†Factory Dollars

60TH STATISTICAL AND HOUSEWARES HIGHLIGHTS MARKETING REPORT

STEAM & STEAM/SPRAY IRON SHIPMENTS

	1981 (000)		1980 (000)	
	Units	Retail Sales	Units	Retail Sales
Full-Feature Lightweight	4,500	$131,130	4,104	$113,355
Standard	5,800	185,600	6,480	194,400
Total	10,300	$316,730	10,584	$307,755

COUNTER-TOP CONVECTION OVEN SHIPMENTS

1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
428	488	−12.3%

FOOT MASSAGER / BATH SHIPMENTS

1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
1,442	1,140	+26.5%

METAL COOKWARE SHIPMENTS

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
With Non-Stick Surface	49,571	49,444	+0.3%
Without Non-Stick Surface	60,911	60,785	+0.2
Total	110,482	110,229	+0.2%

MICROWAVE COOKWARE SHIPMENTS

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Ceramic	4,121	3,862	+ 6.7%
Glass	4,174	3,990	+ 4.6
Plastic	7,311	6,196	+18.0
Stoneware	2,094	2,033	+ 3.0
Other	828	808	+ 2.5
Total	18,528	16,889	+ 9.7%

PRESSURE COOKER SHIPMENTS

	1981 (000)		1980 (000)	
	Units	Retail Sales	Units	Retail Sales
Electric	326	$17,122	325	$16,575
Non-electric	2,401	77,976	2,375	76,000
Total	2,727	$95,098	2,700	$92,575

LIGHTWEIGHT VACUUM SHIPMENTS

	1981 (000)		1980 (000)	
	Units	Retail Sales	Units	Retail Sales
Sticks	1,188	$45,144	1,148	$41,328
Hand-Held	389	12,448	374	11,220
Total	1,577	$57,592	1,522	$52,548

HAIR SETTER SHIPMENTS

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Dry	1,565	1,449	+8.0%
Mist	1,267	1,286	−1.5
Total	2,832	2,735	+3.5%

BATHROOM SCALE SHIPMENTS

	1981 (000)		1980 (000)	
	Units	Retail Sales	Units	Retail Sales
Electronic Digital	1,304	$ 59,984	1,043	$ 44,849
Regular	7,670	107,380	7,609	98,917
Total	8,974	$167,364	8,652	$143,766

CURLING IRON / STYLING WAND SHIPMENTS

	1981 (000)		1980 (000)	
	Units	Retail Sales	Units	Retail Sales
Dry	4,198	$33,584	4,156	$33,248
Mist	2,141	21,410	2,340	25,740
Total	6,339	$54,994	6,496	$58,988

FAN SHIPMENTS

	1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
Ceiling Fans	4,830	3,670	+31.6%
Other Fans	14,453	13,430	+ 7.6
Box type	6,181	5,750	+ 7.5
Others	8,272	7,680	+ 7.7
Window	5,537	5,136	+ 7.8
Exhaust, built-in	3,043	2,940	+ 3.5
Range/oven hood	2,410	2,400	+ 0.4
Table/bracket pedestal	2,472	1,993	+24.0
Hassock/roll-about	991	961	+ 3.1
Total	19,283	17,100	+12.8%

TIMER SHIPMENTS

1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
4,123	3,927	+5.0%

QUARTZ HEATER SHIPMENTS

1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
1,138	1,250	−9.0%

ELECTRONIC BUG KILLERS

1981 Units (000)	1980 Units (000)	Percent of Change 1981/1980
592	450	+31.7%

60TH STATISTICAL AND MARKETING REPORT

HOUSEWARES HIGHLIGHTS

CLOCKS BY POWER SOURCE—SHIPMENTS AND SALES

(in thousands)		Total 1981	Total 1980	Electric 1981	Electric 1980	Battery, Quartz 1981	Battery, Quartz 1980	Battery, Non-Quartz 1981	Battery, Non-Quartz 1980	Key-Wind 1981	Key-Wind 1980
Decorative Wall	Units	5,808	5,127	1,542	1,699	3,515	2,648	463	512	288	268
	Dollars	$252,721	$212,319	$31,892	$35,679	$194,957	$148,288	$21,319	$24,064	$4,553	$4,288
Kitchen Wall	Units	6,959	6,295	2,994	3,071	3,719	2,922	246	302	—	—
	Dollars	$105,177	$91,737	$40,495	$41,059	$61,380	$46,752	$3,302	$3,926	—	—
Alarm	Units	15,880	14,955	6,661	6,789	6,093	4,723	—	—	3,126	3,443
	Dollars	$145,771	$134,260	$52,246	$52,275	$59,736	$44,869	—	—	$33,789	$37,116
Desk/Table	Units	958	914	165	164	483	395	85	94	225	261
	Dollars	$26,556	$24,116	$2,686	$2,542	$14,144	$11,060	$2,104	$2,162	$7,622	$8,352
Total	Units	29,605	27,291	11,362	11,723	13,810	10,688	794	908	3,639	3,972
	Dollars	$530,225	$462,432	$127,319	$131,555	$330,217	$250,969	$26,725	$30,152	$45,964	$49,756

CURLING BRUSH SHIPMENTS

1981 (000)		1980 (000)	
Units	Retail Sales	Units	Retail Sales
2,117	$25,404	1,969	$21,659

AIR PURIFIER SHIPMENTS

1981 (000)	
Units	Retail Sales
4,300	$118,250

Clocks, cookware, floor care, home security categories post increases in shipments for 1981

Total manufacturer shipments for 1981 were up in four of the eight housewares product categories tracked by *Merchandising*. Clocks, cookware, floor care and home security all withstood the effects of the recession that deepened in the year's second half.

Two areas recorded split decisions within their subgroups. In air treatment, fans, humidifiers and vaporizers posted gains in units shipped. But portable electric heaters reported losses across the board for the year.

The outdoor group was divided as well. Barbecue grill shipments climbed above 1980 totals, but mower and snow thrower figures dropped once again under the previous year's levels.

The two remaining categories, kitchen electrics and personal care, which represent the largest number of products, saw overall shipments drop below 1980 totals. Although some individual items did pull through with shipment increases, these two categories were hurt the worst by a soft fourth quarter at retail.

Quartz prices drop

The 8.5 percent increase in clock shipments in 1981, to 29.6 million units, reflected increases in all subgroups—decorative and kitchen wall, alarm and desk/table/occasional.

Quartz technology continues to be the reason clock shipments are rising each year. Quartz prices have come down 30 percent in the past three years and 15 percent since the beginning of 1981. Because this leveling off has been passed on to the consumer by vendors who are holding prices, the incentive to purchase a non-quartz model based on price difference has all but disappeared.

As quartz shipments in all clock groups have climbed the market has become more competitive, and vendor costs to retailers should continue at the same levels through much of 1982.

As more and more consumers purchase a microwave oven, retailers are increasing their microwave cookware selections. 1981 was for some the first full year they offered microwave accessories. But sales of microwave-only cookware have continued to lag behind annual oven sales.

Perhaps the biggest reason for the lag in accessory shipments is that a large volume of cookware is sold for use in microwave, conventional, and convection ovens. So the amount of cookware actually sold for microwave use each year is obviously higher than microwave-only estimates.

Nevertheless, in the microwave-only category plastic items—such as bacon racks, roasting trays, steamers and pans—led the category with strong shipments in 1981. Plastic items shipped rose 18 percent in 1981 to 7.3 million units.

Shipments of ceramic, glass and stoneware also climbed. This trend suggests that consumers with microwave ovens are beginning to use their units for more than just reheating food. These three materials offer many products for oven-to-table use, a trend that will grow as more users accept the oven as a food preparation tool.

Conventional cookware shipments inched up 0.2 percent totally for 1981. Consumers have been trading up to better-quality lines, and many vendors have been right there with upscale introductions. Stainless, traditionally a higher-priced material at retail, posted a 2.2 percent gain, reaching 25.2 million units shipped.

The growth rate of SilverStone and other non-stick surfaces has been slowly leveling off. Non-stick metal cookware crept up slightly in units shipped, but aluminum, in particular, saw figures fall below 1980 numbers.

A more aggressive promotional stance by floor care manufacturers helped put 1981 shipments in the plus column. Many consumers, putting off plans to purchase a new home because of high interest rates, were directing their discretionary income more towards keeping their present dwelling in shape.

Many consumers remodeled their existing homes and included new carpets—also contributing to the floor care industry's turnaround from one year ago.

Smoke detector shipments rose 15.9 percent last year to 7.3 million units. This product now leads the entire home security product area mainly because of recent city and state laws requiring that the units must be installed in private homes and apartments.

The rash of hotel fires and burglaries in recent years has also given new life to a mature product area. Portable travel devices with smoke sensors, entry alarms and flashlights have flooded the market to attract vacationers and businessmen.

The desire to protect property has also driven up shipments of intrusion and combination smoke/fire/intrusion products in price points starting at $100. Fire extinguishers have also ridden on the coattails of the consumer's preoccupation with safety.

Fans climb, heaters drop

Air treatment, led by ceiling fans and air cleaners, emerged as one of the strongest categories last year. But shipments of heaters dropped across the board, watering down the total area's success.

Ceiling fans reached 4.8 million units shipped, a jump of 31.6 percent for the year. An estimated 80 percent of the business has traditionally been done in the Southeast (from Texas to the Atlantic Ocean), but the trade is slowly moving north.

What has helped to expand the market has been the reversible blade feature which made its way onto most manufacturers' 1982 lineups. Another selling point is that a ceiling fan helps cut the amount of time an air conditioner must be on, raises the temperature the refrigeration unit runs at and ultimately reduces energy costs.

Also, a tax break similar to those items under the 1978 Tax Credit Act is in the works. A current bill in Congress only pertains to commercial and industrial units. But by year-end a bill may be introduced for residential units as well.

In 1982, there will be more ceiling fan suppliers than ever before. But over the next few years, the number of imports is likely to decline. Until 1981, a severe domestic product shortage existed as many vendors underestimated the growing demand for fans. But now that supply from U.S. manufacturers has caught up with the demand, many of them hope that retailers and consumers will trade up to their lines from imported models that have been traditionally lower.

Oscillating fans continued their climb in units shipped, reaching 2.5 million, up 24 percent. Box and window fans increased 7.5 and 7.8 percent, respectively.

One product in the box fan group that has seen much activity at retail has been the rotating louver model. Combining the features of an oscillator and a box unit, the fan has been moving briskly, retails starting at about $50.

Air cleaners clean up

Air purifier shipments reached four million units in 1981, and were an especially strong seller during the holiday season.

While there are no official figures comparing their performance with 1980, rough estimates for that year come in at less than a million shipped.

The portable electric heater category did not fare as well, however. Quartz and baseboard units led the slide with 9.0 and 9.1 percent drops, respectively. A major cause for the declines has been the renewed interest in kerosene heaters designed for safe indoor use. Oil-filled heaters, also new to this country, made a noticeable impact on retail sales in the fourth quarter.

Kitchen elecrics and personal care shipments were probably affected the most of all groups tracked. What started out as a strong first half gave way to one of the most severe recessionary periods since the early 70s.

But by cutting prices as much as 40 and 50 percent in the last two weeks before Christmas, many merchants came into 1982 with empty shelves, and were able to relieve local distributors of high inventory levels.

Distributors too could have had a better year in 1981. Inflation and high interest rates moved some retailers to buy direct from vendors at a lower price. Others, loyal to their middlemen, come July, were just not moving the goods through as usual. The result was a flurry of branch offices and even whole distributor firms closing.

This half, manufacturers are offering more rebate programs than ever before to help achieve sell-through. But once consumers become accustomed to rebate tactics, will retailers be able to return to traditional merchandising approaches? Stay tuned.

—Bill DeSiena
associate editor

EXPORTS

MAJOR APPLIANCES

Product**	1981*	1980	1979	1978
Dishwashers	78 $17,081	125 $25,355	160 $29,113	171 $31,537
Dryers	58 $14,602	49 $10,920	50 $10,684	55 $10,108
Freezers	49 $27,084	54 $21,621	47 $16,122	49 $14,310
Microwave Ovens	122 $33,544	97 $27,046	102 $26,987	133 $28,532
Ranges, Electric	93 $28,113	109 $29,182	74 $18,863	130 $23,024
Refrigerators	336 $178,511	342 $163,935	344 $139,924	370 $137,351
Room Air Conditioners	592 $227,838	604 $207,042	644 $200,003	873 $251,159
Washers, Automatic	150 $43,512	119 $32,008	86 $23,225	87 $19,427
Washers, Other	41 $10,316	72 $16,676	122 $26,445	156 $29,344

HOUSEWARES

Product**	1981*	1980	1979	1978
Can Openers & Knife Sharpeners	199 $ 2,411	169 $ 1,886	184 $ 1,837	170 $ 1,502
Clocks, Electric	904 $11,098	604 $ 9,709	929 $10,454	1,122 $10,564
Coffee Makers	1,263 $16,991	1,331 $17,962	1,055 $13,404	844 $10,110
Fans	212 $ 8,120	297 $ 8,143	300 $ 7,710	205 $ 5,625
Irons	2,007 $23,217	1,458 $15,363	1,457 $14,486	1,259 $11,031
Juicers, Mixers & Blenders	1,368 $32,710	1,430 $34,783	1,416 $33,138	1,837 $38,383
Shavers, Electric	279 $ 3,013	192 $ 2,335	298 $ 3,268	152 $ 1,614
Toasters	1,314 $20,234	1,151 $16,398	1,374 $14,395	1,116 $10,327
Vacuum Cleaners	576 $48,363	725 $53,846	850 $50,303	751 $37,822

HOME ELECTRONICS

Product**	1981*	1980	1979	1978
Radios	1,406 $ 98,041	1,104 $ 68,034	1,193 $ 65,217	1,523 $ 73,672
TV, B&W	281 $ 31,251	169 $ 20,840	158 $ 17,478	212 $ 21,374
TV, Color	655 $237,295	788 $276,982	375 $133,314	407 $129,856
TV Chassis & Kits	3,512 $129,403	2,458 $138,201	2,241 $115,194	2,511 $112,461
TV, Total	4,448 $397,949	3,415 $436,023	2,774 $265,986	3,131 $263,681
Tape Recorders & Players	147 $ 18,496	156 $ 23,280	166 $ 18,252	81 $ 13,095

SOURCE: U.S. Dept. of Commerce
Bureau of the Census

*Projection based on 10 months

*All figures in thousands, number of units exported. Mfr's value plus freight and insurance.

Exports surge for some products, including black & white TV's, microwave ovens and toasters

The export picture presented an evenly mixed bag of gains and losses in 1981. Exactly half of the categories tracked presented increases while the rest lost ground.

The biggest winner last year was the electronics category with most classes of televisions and radios showing increases in exports. Color TV's and tape recorders, however, came in with decreases.

The biggest loser was major appliances. Six out of nine product categories showed decreases. Only microwave ovens, dryers and automatic washers posted gains.

In housewares, there were more gains than losses as five out of nine categories posted increases.

In electronics, black and white TV's reported their second year of export growth with a substantial increase. Although radio exports dipped in 1979, they have more than recovered, soaring considerably past the mark set in 1978.

TV chassis and kits turned in the same kind of performance, as did the television category as a whole.

Only color TV's lost ground from 1980, although the dip still left the category well ahead of what had been reported prior to last year.

Radios reversed a period of decline that had lasted for at least three years. Tape recorders, however, marked a third straight year of decline. Slippage in this area, while steady, has been slight, and tape recorder exports are still well ahead of where they stood in 1978 before more than doubling the next year.

In housewares, the most noticable gain was reported by electric clocks. However, the category was off so much in 1980, last year's gains, although significant, were not enough to bring the category back up to 1979 levels.

Irons, on the other hand, continued a steady rate of growth that has been going on for at least three years. Can openers, shavers and toasters all showed gains in 1981, although they were recovering from significant declines the previous year.

Losing ground were coffee makers, fans, juicers, mixers and blenders and vacuums.

In major appliances, only microwave ovens posted considerable gains, although even they could not reach the number of units exported in 1978. Nevertheless, exports rose considerably last year, reversing a downward trend that had been going on for at least two years.

Dryers registered a significant increase after two years of slipping exports. Automatic washers marked a trend, posting a gain for the second year in a row.

The rest of the category, however, did not fare as well. Dishwashers lost big for at least the third year in a row. Freezers also posted a decline as did electric ranges.

Refrigerators too continued to lose ground in exports for at least the third year in a row as did room air conditioners. Finally, exports of washers other than automatic models continued to plummet.

IMPORTS

AUDIO

Product**	1981*	1980	1979	1978
Antennas, CB	1,121 $4,915	1,004 $4,005	1,650 $5,189	2,704 $7,781
Antennas, Radio	8,991 $31,107	8,349 $21,454	7,103 $13,387	5,198 $9,456
Loudspeakers	81,073 $261,481	74,705 $225,597	83,397 $219,725	90,253 $248,198
Microphones	5,511 $24,912	6,093 $21,432	9,467 $26,202	8,732 $24,678
Audio Frequency Electric Amplifiers	4,708 $146,340	4,427 $108,496	4,692 $114,097	4,834 $107,504
Headphone/Electric Sound Amplifier Sets	7,643 $48,649	6,089 $32,038	4,824 $33,130	5,586 $28,739
Auto Transistor Radios	2,006 $97,215	2,245 $80,337	2,624 $95,738	3,335 $121,396
Clock Transistor Radios	10,349 $113,428	9,445 $101,357	8,802 $89,834	11,660 $120,274
AM Trans. Radios (Not Battery Operated)	688 $25,083	609 $21,224	761 $39,490	1,118 $36,416
AM Trans. Radios (Battery Operated)	5,968 $19,270	5,570 $18,263	6,772 $24,107	8,719 $25,377
FM AM/FM Multiband Transistor Radios (Not Battery Operated)	2,342 $201,607	2,099 $176,416	2,494 $192,412	2,989 $247,384
FM AM/FM Multiband Transistor Radios (Battery Operated)	14,977 $188,986	12,150 $169,045	10,170 $145,676	13,449 $198,299
Radios, Total	36,330 $645,589	32,118 $566,642	31,623 $587,257	41,270 $749,145
Radio/Phono Combos (Including Consoles)	92 $2,825	102 $2,767	204 $5,535	361 $8,328
Radio/Phono/Tape Player Combos (Tape Player Trimode)	183 $10,273	316 $12,806	277 $9,788	449 $17,015
Automatic Record Changer	2,663 $47,852	3,631 $66,197	5,164 $91,436	8,644 $143,344

**All figures in thousands, number of units imported. Dollars paid by importers excluding duty, etc.

VIDEO

Product**	1981*	1980	1979	1978
Antennas, TV	19,324 $21,275	17,918 $18,087	12,579 $12,939	11,676 $10,650
B&W TV (10 inch & under)	727 $56,363	647 $44,335	778 $54,848	1,077 $73,936
B&W TV (11-17 inches)	4,376 $242,788	4,420 $242,741	4,600 $245,577	4,300 $232,643
B&W TV (18 inches & over)	386 $38,806	476 $43,976	496 $42,220	554 $44,279
Color TV (10-inch & under)	402 $75,220	195 $36,691	145 $30,541	240 $44,589
Color TV (11-17 inches)	932 $194,512	606 $124,831	672 $138,501	1,188 $221,914
Color TV (18 inches & over)	671 $181,393	474 $134,073	551 $133,523	1,347 $310,585

AUDIO (Continued)

Product**	1981*	1980	1979	1978
Stereo Phonos	58† $4,746	34 $3,697	65 $4,998	135 $8,170
Automatic Turntables	725 $47,890	342 $24,413	318 $23,933	480 $28,513
Turntables Other	1,772 $96,138	1,369 $83,057	1,514 $90,060	1,933 $101,293
Transceivers/CB	1,384 $53,354	856 $33,663	1,207 $51,821	2,087 $92,408
Tape Players Auto	2,431 $73,346	1,736 $43,949	2,321 $55,411	2,884 $70,926
Tape Players Other	2,202 $100,888	906 $31,056	1,079 $18,841	946 $17,595
Tape Recorders, Stereo (Cassette/Cartridge)	2,786 $249,007	2,198 $182,864	2,097 $179,938	2,226 $179,172
Tape Recorders, Stereo (Open Reel)	131 $23,535	86 $20,935	150 $17,584	165 $20,603
Tape Recorders, Mono (Cassette/Cartridge)	237 $14,195	397 $22,049	840 $32,421	1,016 $41,919
Tape Recorders, Mono (Open Reel)	22 $6,465	17 $5,759	55 $6,296	81 $10,238
Tape Recorders, Battery (Cassette/Cartridge)	8,135 $204,057	7,449 $178,309	5,850 $154,982	6,946 $172,114
Tape Recorders, Battery (Open Reel)	58 $18,462	129 $15,531	247 $22,957	333 $27,487
Radio-Tape Recorder Combos	11,140 $604,320	9,254 $419,632	6,873 $339,254	5,230 $254,990
Radio-Tape Player Combos	9,742 $541,595	9,055 $422,560	9,992 $477,604	9,982 $466,910
Total Tape Recorders/Players	36,884 $1,835,870	31,227 $1,342,644	29,504 $1,305,288	29,808 $1,261,953

*Projection based on 10 months unless otherwise indicated †Jan.-Oct. '81 only

VIDEO (Continued)

Product**	1981*	1980	1979	1978
TV, Total	7,494 $789,082	6,818 $626,647	7,242 $645,210	8,706 $927,946
Videotape Recorders	2,092 $1,081,921	939 $498,333	629 $346,416	509 $279,629
Home Video Camera, B&W	81 $15,315	51 $13,747	67 $14,640	108 $20,472
Home Video Camera, Color	399 $235,476	171 $102,381	96 $77,746	58 $54,261
Picture Tubes, B&W	679 $13,464	748 $10,535	657 $10,042	750 $8,272
Picture Tubes, Color	943 $49,887	590 $33,267	355 $22,020	297 $16,590

IMPORTS

MAJOR APPLIANCES

Product**	1981*	1980	1979	1978
Freezers	37 $6,073	43 $6,652	45 $7,061	36 $5,883
Microwave Ovens	1,177 $231,148	835 $160,091	850 $163,248	781 $162,540
Refrigerator/ Freezer Combination (Under 6.5 Cu. Ft.)	350 $27,017	426 $24,780	416 $31,242	512 $41,788
Refrigerator/ Freezer Combination (6.5 to 13.5 Cu. Ft.)	232 $11,557	102 $5,634	32 $3,183	18 $1,945
Refrigerator/ Freezer Combination (9.5 to 13.5 Cu. Ft.)	85 $11,344	96 $11,796	51 $6,672	62 $7,484
Refrigerator/ Freezer Combination (13.5 Cu. Ft. & Over)	3 $909	2 $1,140	3 $1,449	7 $1,547
Total Refrigerator/Freezer Combination	670 $50,827	626 $43,350	502 $42,546	599 $52,764

CALCULATORS

Product**	1981*	1980	1979	1978
Display Only	2,208 $23,740	1,957 $24,914	1,094 $18,162	1,281 $20,840
Hand-Held or Pocket Type	20,875 $132,358	23,424 $166,876	17,463 $137,726	15,936 $132,925
Other For X and +	717 $9,318	507 $9,926	446 $6,198	571 $14,598
All Other	5,084 $156,026	5,035 $177,532	3,612 $139,799	5,198 $177,199
Total	28,884 $321,442	30,923 $379,248	22,615 $301,885	22,986 $345,562

HOUSEWARES

Product**	1981*	1980	1979	1978
Can Openers & Combinations	1,078 $6,546	823 $4,539	503 $2,842	1,744 $7,596
Coffee Makers	383 $6,055	378 $6,711	488 $5,561	633 $4,477
Food Blenders	10 $148	38 $785	473 $7,892	776 $12,894
Hair Dryers	14,665 $86,030	15,785 $90,703	15,637 $91,207	18,357 $115,800
Irons	2,460 $24,329	1,533 $12,569	791 $8,555	234 $772
Juice Extractors	266 $3,266	181 $2,924	227 $3,401	406 $5,205
Shavers, Electric	3,330 $45,045	3,216 $53,023	3,668 $56,908	3,728 $52,084
Toasters	133 $762	185 $562	152 $1,537	4 $49
Vacuum Cleaners	448 $12,859	336 $7,762	329 $5,894	340 $5,520

***Projection based on 10 months**

****All figures in thousands, number of units imported. Dollars paid by importers excluding duty, etc.**

VCR imports exceed two million units last year as the majority of products register large gains

Imports were up last year for the vast majority of products tracked. Where exceptions existed, they were in products generally experiencing across-the-board decreases in sales.

In video, imports of VCR's more than doubled as more than two million units were brought into the country. For the first time, importers paid more than $1 billion for VCR's in a single year.

Color home video color cameras also more than doubled their import levels in 1981. Black and white cameras registered an increase for the second year in a row, although imports are nowhere near the level hit in 1978 before color cameras became so popular.

All sizes of color televisions registered gains in 1981 for the second year in a row. However, only units 10 in. and under reached the same levels posted in 1978. Models 11 to 17 in. in size remained the most popular.

Color picture tube imports surged ahead of the previous year, registering an impressive gain for at least the third year running. Television antennas also registered their third straight year of gains.

In video, only black and white TV's registered decreases. Units 11 in. and larger showed imports were down and imports of black and white picture tubes dropped off as well.

Only sets 10 in. and under registered a gain in imports.

Audio products also showed import growth for almost every item tracked.

Tape players experienced the biggest gain as the number of units imported more than doubled. This followed a decline in 1980.

Stereo phonographs showed significant increases in import activity after at least two straight years of decline. Nevertheless, the number of stereos imported failed to reach the 1979 level.

Imports of automatic turntables reached new levels, also more than doubling. This was the second year in a row this category had showed gain after dropping off sharply in 1979. Other turntable imports registered increases as well, although the number of automatic record changers brought into the country continued to drop for at least the third year running.

Also showing increases were CB and radio antennas, loudspeakers, audio frequency electric amplifiers, headphone/electric sound amplifier sets, clock transistor radios, AM transistor radios not battery operated and AM transistor radios that were battery operated.

FM AM/FM multiband transistor radios not battery operated registered gains for the second year and non-battery units rebounded from a slump in 1980. Overall, radios were up for the second year, although imports had not reached the level hit in 1978.

CB transceivers appeared to rebound from a low hit in 1980, although they too failed to reach 1978 levels. Automobile tape players also showed signs of recovering from a slump that had lasted at least two years.

Other products that registered gains included cassette/cartridge stereo tape recorders, open reel stereo tape recorders, open reel mono tape recorders, cassette/cartridge tape recorders that ran on batteries, radio/tape recorder combos, radio/tape player combos and total tape recorders/players.

On the down side, microphones lost ground for the second year as did automobile transistor radios.

Radio/phono combos (including consoles) registered fewer imports for at least the third straight year. And radio/phono/tape player combos (trimodes) lost considerable ground after experiencing a slight spurt of activity in 1980.

Continuing to plunge were imports of monophonic cassette/cartridge tape recorders and open-reel battery-operated units.

In major appliances, microwave oven imports surged ahead last year after registering a drop in 1980. Also registering gains were medium-sized refrigerator/freezers 6.5 to 13.5 cu. ft. in size, large refrigerator/freezers 13.5 cu. ft. and over and the total refrigerator/freezer category.

Losing ground were freezers, down for the second straight year, almost reaching a low point struck in 1978. Compact refrigerator/freezer units under 6.5 cu. ft. slipped for at least the third year in a row and refrigerator/freezers 9.5 to 13.5 cu. ft. in size lost ground in 1981 after a considerable gain the previous year.

In housewares, the only products showing dips in imports were blenders, hair dryers and toasters. Blender imports plummeted for at least the third year running. Hair dryers continued a decline after making a slight comback in 1980. Toasters, meanwhile, slipped after two years of amazing growth.

Pulling ahead were can openers and combinations, coffee makers, irons, juice extractors, electric shavers and vacuum cleaners.

In calculators, although the category was down as a whole, it was primarily handheld models that were responsible. They registered a decline after at least two years of steady growth.

However, display-only units continued to gain ground for the second year running. Total calculator imports while off somewhat, were still well above what they were in 1979.

REGIONS	**RESIDENTIAL CUSTOMERS SEPTEMBER 1981 (1)**		**FARM RESIDENTIAL CUSTOMERS (2)**		**AUTHORIZED HOUSING STARTS (3) (Projected From 9 Mos.)**		**PROJECTED PERSONAL INCOME 1981 (4) (IN MILLIONS OF DOLLARS)**	
	NUMBER	**% CHANGE FROM SEPT. '80**	**NUMBER**	**% CHANGE (1981/1980)**	**NUMBER**	**% CHANGE (1981/1980)**	**AMOUNT**	**% CHANGE (1981/1980)**
NEW ENGLAND:								
TOTAL	**4,530,719**	**+ 1.8**	**30,200**	**+12.2**	**41,175**	**+ 2.6**	**$140,339**	**+12.2**
CONNECTICUT	1,127,731	+ 1.0	4,050	+ 8.0	10,226	+ 4.8	41,002	+12.3
MAINE	467,875	+ 1.2	8,200	+ 3.8	2,955	−13.3	10,318	+15.4
MASSACHUSETTS	2,005,856	+ 1.8	5,750	+11.7	16,890	+ 7.1	64,813	+11.3
NEW HAMPSHIRE	369,918	+ 1.8	3,550	+12.7	4,723	− 9.1	9,534	+13.1
RHODE ISLAND	337,431	+ 1.2	850	+19.7	2,895	− 1.6	10,115	+12.7
VERMONT	221,908	+ 8.0	7,800	+24.8	3,486	+10.9	4,557	+13.5
MIDDLE ATLANTIC:								
TOTAL	**12,472,451**	**+ 0.6**	**117,900**	**+ 5.7**	**78,063**	**+ 1.9**	**$420,730**	**+12.6**
NEW JERSEY	2,539,726	+ 0.3	9,000	+18.4	26,333	+14.0	90,412	+12.0
NEW YORK	5,723,887	+ 0.6	47,500	+ 9.1	27,822	+15.2	204,853	+13.4
PENNSYLVANIA	4,208,838	+ 0.9	61,400	+ 1.7	23,908	−17.4	125,465	+11.8
EAST NORTH CENTRAL:								
TOTAL	**15,066,960**	**+ 0.6**	**439,550**	**− 0.4**	**101,249**	**−16.7**	**$465,417**	**+13.9**
ILLINOIS	4,076,357	+ 0.4	103,950	N.C.	18,163	−26.4	139,106	+15.5
INDIANA	1,971,729	+ 0.6	86,150	− 1.1	18,083	−15.3	55,127	+12.1
MICHIGAN	3,367,020	+ 0.1	64,350	+ 3.2	20,221	−27.9	105,825	+14.6
OHIO	3,868,872	+ 0.5	93,050	− 1.8	28,416	− 3.3	116,544	+13.8
WISCONSIN	1,782,982	+ 2.0	92,050	− 1.1	16,366	− 7.6	48,815	+10.7
WEST NORTH CENTRAL:								
TOTAL	**6,440,554**	**+ 0.8**	**551,950**	**+ 0.4**	**53,220**	**−18.8**	**$178,891**	**+11.2**
IOWA	1,100,011	+ 0.4	116,800	− 0.9	6,083	−27.7	30,176	+10.4
KANSAS	901,561	+ 1.4	73,200	+ 2.8	9,997	− 2.3	26,345	+11.4
MINNESOTA	1,483,297	+ 1.3	103,950	+ 1.0	17,608	−16.3	44,198	+11.2
MISSOURI	1,865,908	+ 0.6	117,800	+ 1.7	11,159	−11.1	49,232	+11.2
NEBRASKA	589,271	+ 0.6	63,350	+ 1.6	4,793	−32.6	16,440	+11.5
NORTH DAKOTA	241,751	+ 1.0	39,400	N.C.	1,847	−36.0	6,427	+12.3
SOUTH DAKOTA	258,755	+ 0.3	37,450	− 7.4	1,733	−44.6	6,073	+12.3
SOUTH ATLANTIC:								
TOTAL	**13,593,638**	**+ 2.2**	**320,400**	**+ 1.0**	**314,165**	**− 5.0**	**$371,935**	**+14.3**
DELAWARE	217,586	+ 0.7	3,450	+16.9	2,274	−25.3	7,082	+14.7
DISTRICT OF COLUMBIA	172,898	+ 1.5	—	—	950	−60.0	8,384	+ 8.9
FLORIDA	4,085,523	+ 3.4	38,600	+11.4	167,547	− 4.4	102,875	+16.0
GEORGIA	1,943,237	+ 1.9	58,400	+ 9.3	33,501	− 6.2	50,850	+15.0
MARYLAND	1,372,492	+ 0.3	17,300	+ 6.5	19,974	+ 0.2	50,843	+15.0
NORTH CAROLINA	2,171,260	+ 1.5	92,050	− 5.1	32,863	+ 0.2	51,802	+12.5
SOUTH CAROLINA	1,087,949	+ 1.4	33,550	− 2.6	19,010	− 9.6	25,703	+[illegible].1
VIRGINIA	1,833,486	+ 2.8	57,400	− 3.4	35,145	− 4.9	57,229	+13.7
WEST VIRGINIA	709,207	+ 1.3	19,650	+ 2.6	2,901	−10.1	17,167	+12.6
EAST SOUTH CENTRAL:								
TOTAL	**5,332,444**	**+ 1.1**	**306,900**	**+ 7.6**	**41,347**	**−30.3**	**$121,737**	**+11.4**
ALABAMA	1,449,491	+ 0.9	57,400	+ 7.4	15,148	− 9.9	32,235	+10.4
KENTUCKY	1,291,915	+ 0.3	100,000	+ 7.5	7,728	−25.0	30,907	+10.6
MISSISSIPPI	873,957	+ 1.1	54,450	+14.6	6,310	−38.8	19,514	+17.4
TENNESSEE	1,717,081	+ 1.9	95,050	+ 4.3	12,161	−43.1	39,081	+10.0
WEST SOUTH CENTRAL:								
TOTAL	**8,532,442**	**+ 3.2**	**347,350**	**+10.1**	**182,730**	**+ 6.4**	**252,822**	**+17.0**
ARKANSAS	850,763	+ 0.5	58,350	+ 3.5	5,990	−25.6	18,632	+11.9
LOUISIANA	1,492,221	+ 2.2	36,650	+ 7.3	19,978	− 0.7	41,629	+16.8
OKLAHOMA	1,193,399	+ 1.9	71,200	+ 1.5	15,172	−11.5	32,179	+16.4
TEXAS	4,996,059	+ 4.3	181,150	+17.0	141,590	+12.0	160,382	+17.8
MOUNTAIN:								
TOTAL	**4,133,588**	**+ 3.6**	**117,150**	**+10.9**	**106,748**	**+ 1.8**	**$115,961**	**+13.1**
ARIZONA	977,395	+ 6.6	6,250	+25.0	40,217	+10.4	27,160	+13.4
COLORADO	1,102,150	+ 2.6	26,100	+ 4.0	29,348	+11.4	33,354	+14.9
IDAHO	357,564	+ 2.0	23,950	+ 3.0	3,599	−33.1	8,495	+11.4
MONTANA	307,384	+ 1.3	23,450	+11.1	1,608	−23.1	7,183	+ 6.7
NEVADA	318,278	+ 4.6	2,650	+47.2	12,053	− 0.5	9,921	+15.4
NEW MEXICO	435,842	+ 3.1	12,800	+22.5	7,621	− 9.7	11,477	+12.3
UTAH	450,581	+ 2.1	12,850	+ 8.4	8,061	−22.9	12,674	+13.1
WYOMING	184,394	+ 4.6	9,100	+28.2	4,241	+23.1	5,697	+10.5
PACIFIC:								
TOTAL	**11,517,406**	**+ 5.3**	**156,670**	**+23.7**	**172,421**	**−16.6**	**$385,105**	**+12.7**
ALASKA	120,323	+ 0.4	370	+23.3	2,975	+59.2	5,687	+10.7
CALIFORNIA	8,546,487	+ 1.9	79,200	+33.3	119,122	−16.8	293,036	+12.9
HAWAII	265,400	+ 3.6	3,850	+ 6.9	8,273	−11.5	11,016	+12.7
OREGON	1,017,758	+ 1.4	34,650	+14.7	16,066	−19.7	27,095	+10.2
WASHINGTON	1,567,438	+ 1.6	38,600	+16.4	25,985	−20.1	48,271	+13.1
U.S.A. TOTAL:	**81,620,202**	**+ 1.6**	**2,388,070**	**+ 4.7**	**1,091,118**	**− 7.2**	**$2,452,937**	**+13.4**

SOURCES: (1) Edison Electric Institute
(2) U.S. Dept. of Agriculture
(3) U.S. Dept. of Commerce
(4) Based on information from Business Week through Aug. '81

Design: Thumbnail Group

VIDEO/NEW RELEASES

LA CAGE AUX FOLLES II Italian star Ugo Tognazzi and French star Michel Serrault return in their second comedy farce. This time the couple becomes involved in a series of misunderstandings between spy ring killers and secret agents that take them over the French border into rural Italy. *Color 100 minutes R 20th Century-Fox Video Lease/Rental.*

MISSOURI BREAKS (1976) Marlon Brando and Jack Nicholson team up for the first time. Nicholson is a horse thief and Brando plays the hired man whose job it is to rid the territory of thieves. *Color 126 minutes 20th Century-Fox Video C: $59.95.*

PETER ALLEN AND THE ROCKETTES (1981) Taped during a live performance at Radio City Music Hall last February, the singer/dancer/songwriter performs songs from his Bi Coastal album as well as songs he has written for other performers. *Color 87 minutes 20th Century-Fox Video.*

ROCKY (1976) Sylvester Stallone won an Oscar for his performance as a two-bit boxer who gets a shot at the heavyweight title. *Color 121 minutes R 20th Century-Fox Video Lease/Rental.*

Vestron Video

FORT APACHE, THE BRONX (1981) Controversial police drama concerning a precinct located in New York's rundown South Bronx. Stars Paul Newman. *Color 120 minutes R Vestron Video.*

AND GOD CREATED WOMAN (1957) Features Bridget Bardot in her movie debut as a voluptuous woman who is lusted after by three men. *Color 90 minutes Vestron Video.*

THE CANNONBALL RUN (1981) Burt Reynolds, Roger Moore, Farrah Fawcett and Dom DeLuise are among an all-star cast taking part in the Cannonball Sea-To-Shining-Sea Memorial Trophy Dash cross-country car race. *Color 96 minutes PG Vestron Video.*

GLADYS KNIGHT AND THE PIPS AND RAY CHARLES Taped during a concert in Los Angeles, this program features the two musical attractions separately and together, performing such hits as Midnight Train to Georgia and Heard it Through The Grapevine. *Color 78 minutes Vestron Video.*

GO TELL THE SPARTANS Hard-hitting account of the United States' presence as advisors in Vietnam in 1964. Burt Lancaster stars. *Color 114 minutes R Vestron Video.*

HERE IT IS, BURLESQUE Taped live at the Broadway Theatre, this revue is hosted by Ann Corio, queen of Burlesque. It features stripteasers, exotic dancers, and comedy. *Color 88 minutes Vestron Video.*

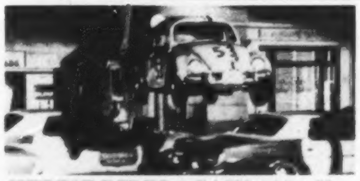
THE LENNY BRUCE PERFORMANCE FILM In his next to the last nightclub appearance, Lenny Bruce attacks religion, race, pornography and civil rights. *Color 72 minutes Vestron Video.*

RICHARD PRYOR: LIVE IN CONCERT The comedian's one man show contains very vulgar language. *Color 78 minutes R Vestron Video.*

RUST NEVER SLEEPS A concert fantasy featuring Neil Young and his band Crazy Horse. Musical selections include Sugar Mountain and Cinnamon Girl. *Color 111 minutes PG Vestron Video.*

TILL MARRIAGE DO US PART The original uncut English language version features Laura Antonelli as the virginal beauty out to discover the secrets of sex. *Color 97 minutes Vestron Video.*

Walt Disney



HERBIE RIDES AGAIN (1974) Herbie the Love Bug is at it again. This time he assists an elderly woman (Helen Hayes) in keeping a ruthless tycoon from putting up the world's tallest building on her property. Also stars Ken Berry and Stephanie Powers. *Color 88 minutes Walt Disney Home Video C: $69.95.*

POLLYANNA (1960) Hayley Mills stars as Pollyanna, a poor orphan who believes that things are always better than they seem. When she moves in with an aunt, she changes the attitude of the entire small town. Also stars Jane Wyman, Karl Malden and Agnes Moorehead. *Color 134 minutes Walt Disney Home Video C: $69.95.*

THE SIGN OF ZORRO (1957) Adapted from the original television series, the program follows the romantic escapades of this daring swordsman. Stars Guy Williams, Henry Calvin and Gene Sheldon. *Color 89 minutes Walt Disney Home Video C: $69.95.*

A TALE OF TWO CRITTERS (1977) The story of the developing relationship of a young racoon and a bear cub in the Pacific Northwest. *Color 48 minutes Walt Disney Home Video C: $59.95.*

Merchandising's TOP 50

	Last month's position	Months on chart
1. **Blue Lagoon** *(Columbia Pictures Home Entertainment)* I	1	4
2. **The Jazz Singer** *(Paramount Home Video)*	4	4
3. **Stir Crazy** *(Columbia Pictures Home Entertainment)* I	2	4
4. **Kramer vs. Kramer** *(Columbia Pictures Home Entertainment)* I	3	3
5. **American Werwolf in London** *(MCA Videocassette)*	31	2
6. **Endless Love** *(MCA Videocassette)*	6	4
7. **Airplane** *(Paramount Home Video)* I	7	13
8. **Busting Loose** *(MCA Videocassette)*	10	4
9. **Night Hawks** *(MCA Videocassette)*	12	5
10. **Nine to Five** *(20th Century-Fox Video)* PI	5	11
11. **Four Seasons** *(MCA Videocassette)* GI	—	1
12. **Superman** *(Warner Home Video)* I	8	25
13. **M*A*S*H** *(20th Century-Fox Video)* PI	29	41
14. **Caddyshack** *(Warner Home Video)* GI	19	12
15. **Apocalypse Now** *(Paramount Home Video)*	23	2
16. **Raging Bull** *(20th Century-Fox Video)* I	11	5
17. **Ordinary People** *(Paramount Home Video)* PI	9	8
18. **The Muppet Movie** *(20th Century-Fox Video)* I	18	21
19. **The Elephant Man** *(Paramount Home Video)* I	15	8
20. **Friday the 13th** *(Paramount Home Video)* I	22	11
21. **Dressed to Kill** *(Warner Home Video)*	14	3
22. **Tess** *(Columbia Pictures Home Entertainment)* I	16	5
23. **Black Stallion** *(20th Century-Fox Video)* I	27	7
24. **Alien** *(20th Century-Fox Video)* PI	50	20
25. **Urban Cowboy** *(Paramount Home Video)* I	—	12
26. **. . . And Justice for All** *(Columbia Pictures Home Entertainment)*	13	4
27. **The Godfather** *(Paramount Home Video)* PI	26	31
28. **Enter the Dragon** *(Warner Home Video)* GI	41	23
29. **Somewhere in Time** *(Warner Home Video)*	21	6
30. **Coal Miner's Daughter** *(MCA Videocassette)* GI	24	17
31. **Star Trek—The Motion Picture** *(Paramount Home Video)* I	30	15
32. **The Blues Brothers** *(MCA Videocassette)* GI	38	15
33. **The Competition** *(Columbia Pictures Home Entertainment)*	20	3
34. **Emmanuelle—Joys of a Woman** *(Paramount Home Video)*	45	15
35. **The Incredible Shrinking Woman** *(MCA Videocassette)* I	36	4
36. **Up in Smoke** *(Paramount Home Video)*	49	12
37. **Casablanca** *(20th Century-Fox Video)* I	17	5
38. **2001—A Space Odyssey** *(MGM/CBS Home Video)* GI	44	14
39. **The Godfather II** *(Paramount Home Video)* I	47	26
40. **Fiddler on the Roof** *(20th Century-Fox Video)* I	25	5
41. **Fame** *(MGM/CBS Home Video)* GI	34	11
42. **Popeye** *(Paramount Home Video)* I	37	8
43. **Grease** *(Paramount Home Video)* I	40	20
44. **Emmanuelle** *(Columbia Pictures Home Entertainment)* I	35	22
45. **Halloween** *(Media Home Entertainment)* I	32	21
46. **All That Jazz** *(MGM/CBS Home Video)* GI	—	13
47. **The Stunt Man** *(20th Century-Fox Video)* GI	39	11
48. **Every Which Way But Loose** *(Warner Home Video)* I	28	15
49. **Patton** *(20th Century-Fix Video)* GI	42	34
50. **"10"** *(Warner Home Video)* PI	43	22

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)
I—Golden Videocassette award—has audited retail sales of $1 million at list price. (ITA)

Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

C4200-1 4|19|83

75TH
ANNIVERSARY
ISSUE

Also in this issue:

Induction cooking to come on strong for '83
Bamberger's launches personal computer centers
Videodisc pornography could be in the works
Small appliance service centers pick up steam

BEST AVAILABLE C

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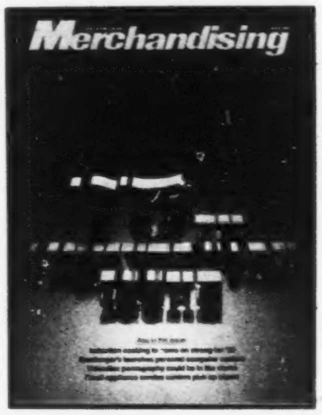
APRIL 1982

Merchandising

FOR OVER 56,000 RETAILERS & WHOLESALERS
VOL. 7, No. 4

75th ANNIVERSARY



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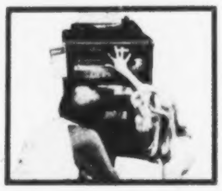

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VIDEO/NEW RELEASES

MCA Video

BLUE COLLAR (1978) Three auto workers on the Detroit assembly line plot the ultimate heist to set themselves free from the drudgery. Stars Richard Pryor, Harvey Keitel and Yaphet Kotto. *Color 114 minutes R MCA Videocassette C: $72.80.*

DIARY OF A MAD HOUSEWIFE (1970) Carrie Snodgrass plays a dissatisfied wife trapped in a townhouse existence with an impossible husband, played by Richard Benjamin. Frank Langella also stars. *Color 100 minutes R MCA Videocassette C: $72.80.*

HALLOWEEN II (1981) This sequel follows the same ill-fated characters as Halloween I as they encounter the knife-wielding terror they left for dead in the first movie. But this time they discover the motive behind his savage actions. Stars Jamie Lee Curtis and Donald Pleasence. And just when you thought it was safe to go trick or treating again. *Color 92 minutes R MCA Videocassette C: $101.46.*

SILENCE OF THE NORTH (1981) Set against the Canadian Northwest, this adventure and love story is based on the autobiography of Olive Fredrickson and covers her life from the early 1900's through to the Depression. Stars Ellen Burstyn and Tom Skerritt. *Color 94 minutes PG MCA Videocassette C: $85.50.*

TWO MULES FOR SISTER SARA (1970) Set in 19th century Mexico, Clint Eastwood stars as an American mercenary who rescues a nun, played by Shirley MacLaine, from her would-be molesters. She later provides him with information about the garrison he plans to invade. *Color 105 minutes PG MCA Videocassette C: $70.20.*

MGM/CBS

AT THE CIRCUS (1939) Zany comedy starring the Marx Brothers and Margaret Dumont. This time, the comedy team is trying to save a circus and winds up hanging from a trapeze. *Black & white 87 minutes MGM/CBS Home Video C: $49.95.*

THE GOOD EARTH (1937) Adaptation of the Pearl S. Buck classic saga about China. Luise Rainer won an Academy Award for her role as the faithful wife of Wang Lung, played by Paul Muni. *Black & white 138 minutes MGM/CBS Home Video C: $59.95.*

MISS PEACH OF THE KELLY SCHOOL (1982) Children will adore this movie about the kids of the Kelly School and their teacher Miss Peach. It follows their adventures from Thanksgiving to the spring picnic. *Color 115 minutes MGM/CBS Home Video C: $59.95.*

PICASSO: A PAINTER'S DIARY (1980) Traces the period of the master's creative years and intersperses the story of his life in with his paintings. *Color and black & white 89 minutes MGM/CBS Home Video C: $49.95.*

SYBIL (1976) Inspirational and moving picture starring Sally Field as a woman with 16 different personalities. Field won an Emmy for her performance. The movie was awarded three other Emmys and a Peabody award. Joanne Woodward also stars. *Color 182 minutes MGM/CBS Home Video C: $59.95.*

WESTWORLD (1973) The old west comes alive again in this story of a technological paradise that becomes a nightmare. Yul Brenner stars as a robot who thrives on killing. *Color 90 minutes MGM/CBS Home Video C: $59.95.*

Planet Video

DEADLY KUNG FU Bruce Li creates Jeet-Kune-Do, a new Kung Fu method, which becomes respected the world over. *Color 86 minutes Planet Video.*

FIGHTING MAD Two men launch a campaign to take over the crime empire but face revenge from someone they once double-crossed. *Color 96 minutes R Planet Video.*

20th Century

BUS STOP (1956) In her first serious role, Marilyn Monroe portrays a sexy entertainer who attracts the fancy of a cowboy, played by Don Murray. Eileen Heckart and Arthur O'Connell also star. *94 minutes 20th Century-Fox Video C: $59.95.*

GENTLEMAN PREFER BLONDES (1953) Marilyn Monroe and Jane Russell star in this musical as showgirls who pursue their quest for love, romance and money. *102 minutes 20th Century-Fox Video C: $59.95.*

HOW TO MARRY A MILLIONAIRE (1953) Comedy starring Marilyn Monroe, Betty Grable and Lauren Bacall as fashion models, who band together in hopes of catching rich husbands. *95 minutes 20th Century-Fox Video C: $59.95.*

THE MISFITS (1961) Arthur Miller's screenplay about a divorcee, played by Marilyn Monroe, and her relationships with three cowboys: Clark Gable, Eli Wallach and Montgomery Clift. *124 minutes 20th Century-Fox Video C: $59.95.*

THE SEVEN YEAR ITCH (1955) A sexy TV model, Marilyn Monroe, is the object of a married man's fantasies, played by Tom Ewell. Directed by Billy Wilder. *105 minutes 20th Century-Fox Video C: $59.95.*

THERE'S NO BUSINESS LIKE SHOW BUSINESS (1953) A tribute to composer Irving Berlin stars Marilyn Monroe as an unknown hatcheck girl who attracts the attentions of Donald O'Connor. Also stars Ethel Merman, Dan Dailey, Mitzi Gaynor and Johnnie Ray. *117 minutes 20th Century-Fox Video C: $59.95.*

Merchandising's TOP 50

		Last month's position	Months on chart
1.	**An American Werewolf in London** *(MCA Videocassette)*	5	3
2.	**Apocalypse Now** *(Paramount Home Video)*	15	3
3.	**Stir Crazy** *(Columbia Pictures Home Entertainment)* I	3	5
4.	**Kramer vs. Kramer** *(Columbia Pictures Home Entertainment)* I	4	4
5.	**The Jazz Singer** *(Paramount Home Video)*	2	5
6.	**Clash of the Titans** *(MGM/CBS Home Video)*	—	1
7.	**Airplane** *(Paramount Home Video)* I	7	14
8.	**Blue Lagoon** *(Columbia Pictures Home Entertainment)* I	1	5
9.	**Mommie Dearest** *(Paramount Home Video)*	—	1
10.	**Four Seasons** *(MCA Videocassette)* GI	11	2
11.	**Endless Love** *(MCA Videocassette)*	6	5
12.	**Nine to Five** *(20th Century-Fox Video)* PI	10	12
13.	**Superman** *(Warner Home Video)* I	12	26
14.	**Caddyshack** *(Warner Home Video)* GI	14	13
15.	**Ordinary People** *(Paramount Home Video)* PI	17	9
16.	**Busting Loose** *(MCA Videocassette)*	8	5
17.	**Paternity** *(Paramount Home Video)*	—	1
18.	**Friday the 13th** *(Paramount Home Video)* I	20	12
19.	**Fiddler on the Roof** *(20th Century-Fox Video)* I	40	6
20.	**Coal Miner's Daughter** *(MCA Videocassette)* GI	30	18
21.	**Night Hawks** *(MCA Videocassette)* G	9	6
22.	**Raging Bull** *(20th Century-Fox Video)* I	16	6
23.	**. . . And Justice for All** *(Columbia Pictures Home Entertainment)*	26	5
24.	**Tess** *(Columbia Pictures Home Entertainment)* I	22	6
25.	**Enter the Dragon** *(Warner Home Video)* GI	28	24
26.	**The Elephant Man** *(Paramount Home Video)* I	19	9
27.	**M*A*S*H** *(20th Century-Fox Video)* PI	13	42
28.	**Every Which Way But Loose** *(Warner Home Video)* I	48	16
29.	**Emmanuelle** *(Columbia Pictures Home Entertainment)* I	44	23
30.	**Fame** *(MGM/CBS Home Video)* GI	41	12
31.	**Black Stallion** *(20th Century Fox Video)* I	23	8
32.	**The Godfather** *(Paramount Home Video)* PI	27	32
33.	**The Competition** *(Columbia Pictures Home Entertainment)*	33	4
34.	**Emmanuelle—Joys of a Woman** *(Paramount Home Video)*	34	16
35.	**Alien** *(20th Century-Fox Video)* PI	24	21
36.	**The Blues Brothers** *(MCA Videocassette)* GI	32	16
37.	**The Muppet Movie** *(20th Century-Fox Video)* I	18	22
38.	**Star Trek—The Motion Picture** *(Paramount Home Video)* I	31	16
39.	**The Stunt Man** *(20th Century-Fox Video)* GI	47	12
40.	**Animal House** *(MCA Videocassette)* GI	—	18
41.	**Honeysuckle Rose** *(Warner Home Video)*	—	10
42.	**Casablanca** *(20th Century-Fox Video)* I	37	6
43.	**"10"** *(Warner Home Video)* PI	50	23
44.	**Up in Smoke** *(Paramount Home Video)*	36	13
45.	**Young Frankenstein** *(20th Century-Fox Video)* I	—	8
46.	**The Great Santini** *(Warner Home Video)*	—	5
47.	**Flash Gordon** *(MCA Videocassette)* GI	—	14
48.	**Close Encounters of the Third Kind** *(Columbia Pictures Home Entertainment)* GI	—	13
49.	**Urban Cowboy** *(Paramount Home Video)* I	25	13
50.	**My Fair Lady** *(MGM/CBS Home Video)*	—	4

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I—Golden Videocassette award—has audited retail sales or rentals of $1 million unless the company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

75th ANNIVERSARY
A GRALLA PUBLICATION
MAY 1982

Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ▪ HOUSEWARES ▪ MAJOR APPLIANCE RETAILERS

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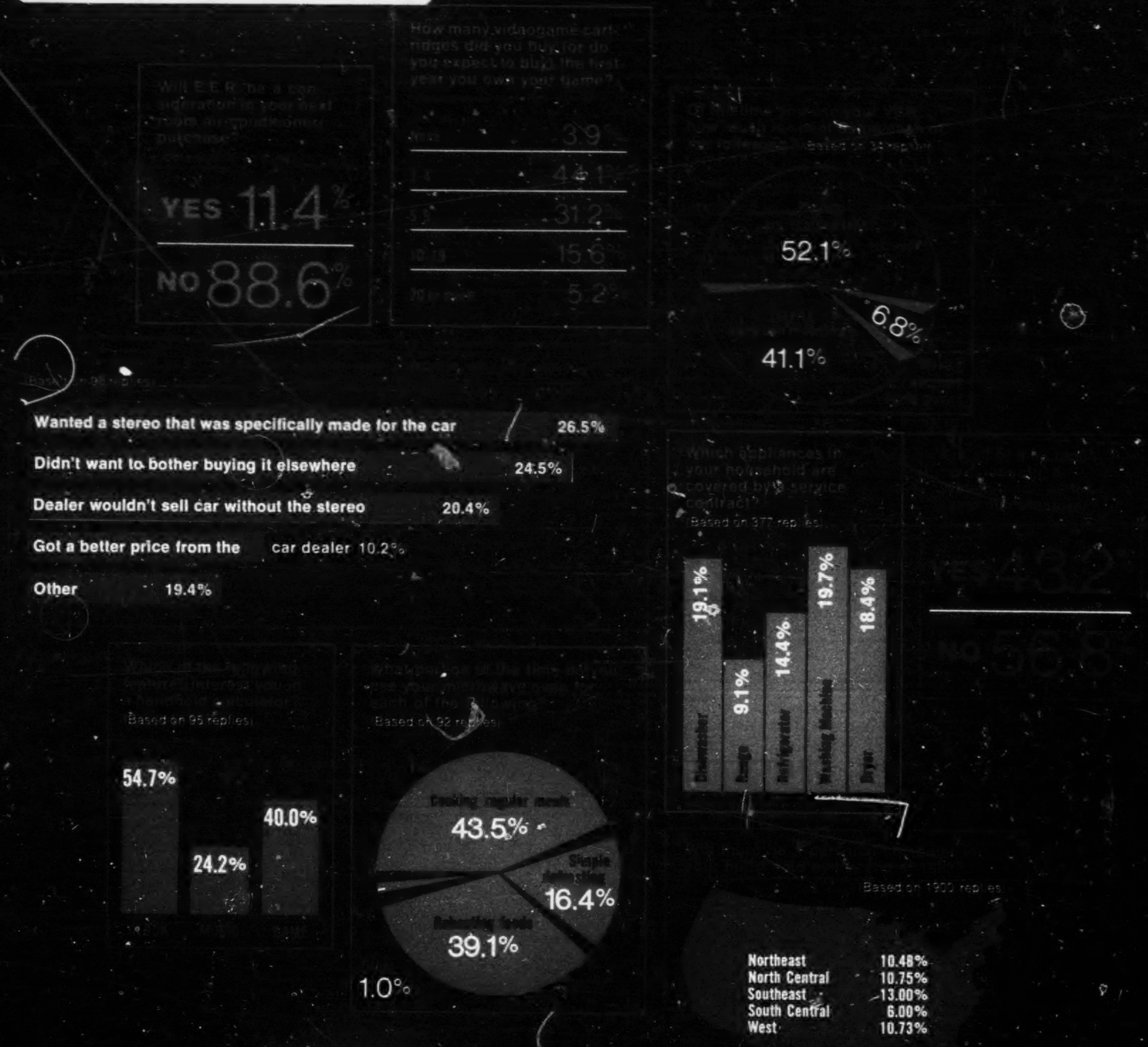

10th Annual Consumer Survey

1900 shoppers tell why, how, where and when they make their purchases

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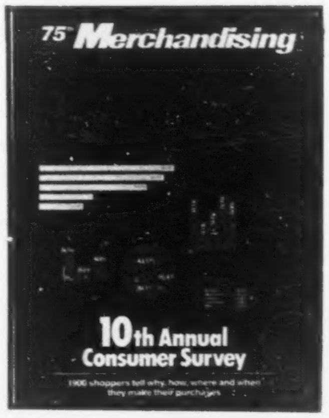
VOL. 7, No. 5

75th ANNIVERSARY



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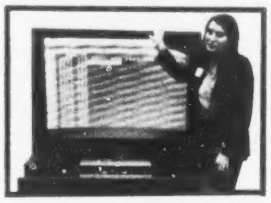

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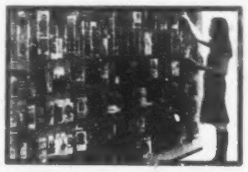

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Tenth Annual Consumer Survey

1,900 consumers tell why, how, where and when they make their purchases

A number of surprises cropped up this year as *Merchandising's* interviewers questioned 1,900 shoppers across the nation.

For example, VCR owners spend 52.1 percent of their time with the machine viewing prerecorded tapes which they have either rented or purchased.

Slightly more than 10 percent of the homes represented will have a personal computer by the end of the year.

Better than 20 percent of the car stereo owners who purchased the system with their cars were told they could not buy the automobile without it.

In addition, 37.5 percent of the shoppers are not interested in videodisc players because they think they are too expensive.

More than 30 percent of the videogame owners buy more than 10 cartridges the first year they own the unit.

And more than 43 percent of the consumers' stereos are single-brand systems.

Probed attitudes

In addition to polling the shoppers on what they owned and what they planned to buy later this year, the interviewers also asked them about their attitudes concerning certain products.

They found, for example, that the majority of the shoppers were opposed to proposed government legislation to control off-the-air videotaping.

Most customers have absolutely no idea of what a cable-ready television set is. They really don't care about the energy efficiency ratio (E.E.R.) of air conditioners. And many would be willing to fix their own major appliances—if replacement parts were more readily available.

Other highlights:

VCR's: More than five percent of the respondents who did not own a VCR when they were interviewed reported that they planned to buy one later this year. If they carry through with their plans, the saturation rate among the shoppers questioned would jump from 9.16 percent this year to 14.79 perent in 1983, an increase of 61.5 percent.

Videodiscs: More people plan to buy videodisc players in 1982 than owned them at the beginning of the year. Nationwide, only 2.32 percent of the 1,900 consumers said they owned a videodisc player. However, 2.63 percent said they planned to purchase one later in the year.

Projection TV: The biggest drawback to projection TV sales seems to be the product's high price tag. Some 41.4 percent of the consumers interviewed who said they had no plans to buy a set cited price as the reason.

Prerecorded Videocassettes: The average VCR owner reported renting 4.1 prerecorded videocassettes per month. Most popular, they said, were tapes of movies made during the Eighties.

Blank Videotape: The average number of tapes bought by VCR owners who reported buying any in the previous year was 8.8. Some 10 percent of the respondents who own VCR's said they had not even bought one. However, almost as many reported purchasing 20 or more blank videocassettes in the past year.

Blank Audiotape: Those consumers with audiocassette decks reported making regular purchases of blank cassettes. Forty percent said they bought at least one regular cassette per month and more than a quarter said they bought more than four cassettes monthly.

High Fidelity: Some 17 percent of the hifi owners interviewed reported that they plan to replace their system this year. And almost one third of the owners of component systems said they plan to add to it or replace parts of it sometime in 1982.

Car Stereo: Of the 1,900 consumers interviewed for the survey, 49.11 percent had some sort of car stereo system. Another 9.16 percent indicated that they planned to buy one later this year, which would raise the saturation level among this group to 58.27 percent, an increase of 18.6 percent.

Personal Portable Stereo: Some 19.42 percent of the consumers reported living in a household where someone owned a personal portable stereo (such as a Walkman). This represented a strong rate of saturation for such a relatively young product. As was expected, the largest group of owners was the under-21 age bracket.

Calculators: Among the new crop of ancillary features being offered on calculators, a clock was the one that interested most of the shoppers. After that came games. Last on the list was music.

Personal Computers: A top price of $1,487 is what the average consumer said he would be willing to pay for a personal computer. While some indicated that they would be willing to pay more than $3,000, others said they would bow out of the market at less than $250.

Electronic Games: Almost 20 percent of the shoppers owned a videogame and another 9.2 percent indicated that they plan to buy one this year. Many consumers, 44.1 percent, who already owned a game reported they had bought (or expected to buy) between one and four cartridges the first year they owned the unit.

Air Conditioners: Almost 85 percent of the room air conditioner owners queried reported that they were not familiar with the term E.E.R. Consequently, it comes as no surprise that 74.1 percent of those shoppers who recently purchased a room unit said it was not a consideration at point-of-sale. What's more, 88.6 percent said it would not be a factor in their next purchase either.

Air Purifiers: The affordable price points of air purifiers are helping contribute to impulse sales. About 53.9 percent of the consumers reported that their units cost under $25. And even though there will be a lot of emphasis placed on upscale units this year, price points of the more competitive models will continue to drop.

Telephones: The majority of the consumers contacted reported that they did not own their own phone simply because they preferred to deal with the phone company. Across the country, an average of 19.47 percent of the shoppers queried reported owning their own. Another 5.47 percent said they planned to get one this year, which would boost the saturation rate to just under 25 percent.

LCD Watches: Nearly 20 percent of the consumers interviewed indicated that their main interest in an LCD would be as a secondary watch. When asked which features most interested them, the bulk of the shoppers, 56.8 percent, said they considered a constant day/date display to be most important.

Microwave Ovens: Of the 1,900 consumers surveyed, a minimum of one third in each geographic region, with the exception of the Northeast, now owns a microwave. And a significant percentage, from 30.23 percent in the Northeast to 54.9 percent in the Southeast, plans to own one by the end of the year.

Microwave Cookware: Many consumers reported owning more than one fabrication in microwave cookware, with glass and ceramic overwhelmingly the most popular. As long as the cookware is versatile, has oven-to-table capability, a microwave-safe guarantee and is lightweight, the consumers seem to be content.

Major Appliances: More than half, 53.6 percent, of appliance owners said they would be willing to try fixing their own units if parts were more easily available. And a significant number already try, at least some of the time.

Lightweight Appliances: Having an iron that weighed less wouldn't matter to consumers if it didn't have other features they desired. But evidently, the new units are performing up to expectations, because almost two thirds of the consumers who have tried the lightweight models say they like them.

Smoke Detectors: Over half (56.47 percent) of the consumers reported that they own at least one smoke detector, no doubt a result of the rash of advertising throughout the industry a few seasons ago. And portable travel alarms are catching on quickly.

—Lee Rath
editor

—Nancy Markov
managing editor

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STATISTICAL MATTER for this survey was collected and compiled by **Selma Book,** market research manager, and **Roberta Janasz,** research associate. Surveyors were coordinated by editorial assistant **Rondi Stearns.**

DESIGN: THUMBNAIL GROUP

Tenth Annual Consumer Survey

1,900 shoppers surveyed in this year's consumer survey

A total of 1,900 shoppers were interviewed for *Merchandising's* Tenth Annual Consumer Survey by more than 20 pollsters. Questions were asked at selected shopping locations in every region of the country during the months of January and February.

For the first time, a system of mini-questionnaires was instituted by the Market Research Department of Gralla Publications. Under this system, general ownership questions were asked of 1,900 consumers. Then, each was questioned from a more specific mini-questionnaire that honed in on a particular product category.

Five mini-questionnaires were used covering video, personal electronics, major appliances, housewares and audio.

This system allowed the surveyors to reach more consumers than ever before and ask a wider variety of questions.

Average respondent profiled

Who did we reach? If we could paint a portrait of the typical shopper interviewed for this survey, it would be a woman living in a western state. She would probably not work outside of the home and her household income would be in the $30,000 range.

Our average interviewee would be between 30 and 39 years old and would have at least one child. She would be a high school graduate. In addition, our respondent and her husband would own their own home. It would probably be located in the suburb of a large city.

Although this could be one typical respondent, the diversity of the shoppers interviewed was quite broad. Surveys were taken from Vermont to Hawaii, from Texas to Washington.

Household incomes ranged from under $10,000 to well over $50,000 per year. All age groups, from teenagers on up, were covered and professionals, factory workers, homemakers, students, military personnel and retirees were questioned.

In short, we reached almost every kind of shopper known to retailers in compiling this survey, *Merchandising's* picture of the American Consumer circa 1982. ●

Characteristics of the Sample

Replies: By number of persons in household

	Number of replies*	Percent of replies
One	405	21.5%
2-3	917	48.7%
4 or more	563	29.8%

*1,885 replies. Excludes 15 members of the military.

Replies: By number of children* in household

	Number of replies	Percent of replies
No children	1,186	62.4%
1 child	359	18.9%
2-3 children	308	16.2%
4 or more	47	2.5%

*Under 16 years of age

Replies: By employment status

	Number of replies	Percent of replies
Employed/self-employed	1,371	72.1%
Professional	481	25.3%
Managerial	248	13.1%
Clerical	209	11.0%
Sales	185	9.7%
Driver	38	2.0%
Technical/skilled	36	1.9%
Factory	71	3.7%
Waiter/waitress	19	1.0%
Laborer	69	3.6%
Farm	15	0.8%
Homemaker	252	13.3%
Student	107	5.6%
Military	15	0.8%
Retired	125	6.6%
No indication	30	1.6%
Total	**1,900**	**100.0%**

Replies: By type of dwelling

	Number of replies*	Percent of replies
Own house	997	52.9%
Rent house	175	9.3%
Rent apartment	461	24.4%
Own apartment	37	2.0%
Rent room	22	1.2%
Mobile home	64	3.4%
Live with parents	129	6.8%

By location of residence:

	Number of replies*	Percent of replies
City	695	36.9%
City suburb	706	37.4%
Town or village	349	18.5%
Other rural	135	7.2%

*1,885 replies. Excludes 15 members of the military.

Replies: By highest education level achieved

	Number of replies	Percent of replies
Advanced degree	175	9.2%
College graduate	631	33.2%
High school graduate	944	49.7%
No high school diploma	150	7.9%

Replies: By sex

	Number of replies	Percent of replies
Female	1,033	54.4%
Male	867	45.6%

Replies: By age

	Number of replies	Percent of replies
Under 21	139	7.3%
21 - 29	498	26.2%
30 - 39	564	29.7%
40 - 49	319	16.8%
50 - 64	265	13.9%
65 and over	115	6.1%

Replies: By marital status

	Percent of replies		
	Total	Male	Female
(Number of replies)	(1,900)	(867)	(1,033)
Married	58.3%	59.3%	57.5%
Single	27.9%	31.2%	25.0%
Separated	2.7%	2.5%	2.8%
Divorced	6.9%	5.0%	8.6%
Widowed	4.2%	2.0%	6.1%

Replies: By household income, by region

	Percent of replies*					
	Total	Northeast	North Central	Southeast	South Central	West
(Number of replies)*	(1,819)*	(397)*	(410)*	(358)*	(199)*	(455)*
Under $10,000	9.0%	9.8%	12.2%	8.1%	7.5%	6.8%
$10,000 - $19,999	27.4%	29.0%	25.8%	35.8%	41.7%	14.7%
$20,000 - $24,999	18.5%	17.4%	19.8%	19.8%	15.1%	18.7%
$25,000 - $34,999	21.8%	18.6%	24.4%	19.5%	15.1%	26.8%
$35,000 - $49,999	13.6%	15.6%	12.9%	8.7%	12.1%	17.2%
$50,000 or more	9.7%	9.6%	4.9%	8.1%	8.5%	15.8%

*Excludes military and no answer.

Number of household incomes:

	Number of replies	Percent of replies
One income	1,073	56.5%
Two incomes	714	37.6%
Three or more	113	5.9%

Replies: By geographic region

Region	Number of replies	Percent of replies	Percent of electrically wired homes in region*
Northeast (New England/ Middle Atlantic)	420	22.1%	20.9%
North Central (East and West North Central)	437	23.0%	26.3%
Southeast (South Atlantic/ East South Central)	377	19.9%	23.2%
South Central (West South Central)	200	10.5%	10.4
West (Mountain/ Pacific)	466	24.5%	19.2%
Total	**1,900**	**100.0%**	**100.0%**

*As of September, 1981. Source: Edison Electric Institute

10

Tenth Annual Consumer Survey

VCR owners spend most time viewing prerecorded tapes

The VCR owners queried by *Merchandising* reported that they spent most of their time with the machine watching prerecorded tapes which they had either bought or rented.

Obviously, the popularity of tape rental programs *(See related story on page 24)* has helped give this particular use for the machine a shot in the arm.

Also popular was the well-established practice of watching material which had been recorded off the air earlier.

Following a distant third was the making and watching of home movies. More than a quarter of the VCR owners, however, reported that they did own a camera that could be used in conjunction with their unit.

Buying plans outlined

More than five percent of the respondents who did not own a VCR when they were interviewed reported that they planned to buy one later this year. If they carry through with their plans, the saturation rate among the shoppers questioned would jump from 9.16 percent this year to 14.79 percent in 1983, an increase of 61.5 percent.

Even more encouraging was the number of consumers who reported they planned to buy a VCR camera this year. If they make the purchase, the saturation rate among our consumers will soar 111.4 percent for video cameras.

Following a trend from last year's consumer survey, our respondents indicated that the Beta format holds a slight edge over VHS. And the average price of $957.17 showed that prices for VCR's are continuing to decline.

As expected, shoppers in professional and managerial positions own the vast majority of the units.

Something of a surprise, however, was the fact that almost 14 percent of the VCR owners said that they also owned a videodisc player.

Oppose VCR legislation

Merchandising asked the shoppers what they thought of proposed government legislation to control off-the-air taping and received an overwhelmingly negative response.

"We can record music but not TV? I think that's stupid," replied an engineer in Atlanta.

"I'm violently opposed to it," said another shopper. "They have no right."

Most of the respondents indicated that they did not think off-the-air recording should be regulated or taxed if the recording was to be used strictly for personal purposes.

Others, however, indicated they were in favor of legislation that would afford some protection to the creators of video material.

"It's only fair to protect people who are being recorded against their will," asserted a sales clerk from St. Paul.

Said a painter from Buffalo, "People can't tape movies in a theater. Why should they be allowed to do so at home? The public should not be allowed to rip off shows made by someone else." ●

Videocassette Recorders

If you own a VCR, do you also own a videodisc player or a VCR camera?

	Percent of replies*	
	Videodisc player	VCR camera
Yes	13.8%	25.3%

*174 replies

Is there a video camera in your household?

	Percent of replies*
Yes	2.32%

*1900 replies

If you own a VCR, videodisc player and/or projection TV, what is your household income?

	Percent of replies		
	VCR owners	Videodisc owners	Projection TV owners
(Number of replies)	(174)	(44)	(47)
Under $10,000	1.8%	–	–
$10,000-$19,999	3.2%	0.4%	0.4%
$20,000-$24,999	4.9%	1.8%	1.8%
$25,000-$34,999	10.1%	2.3%	3.8%
$35,000-$49,999	19.4%	6.0%	4.8%
$50,000 or more	27.8%	6.8%	6.8%

How old is your VCR?

	Percent of replies*
Less than one year	5.1%
1 year	33.3%
2 years	35.9%
3 years	12.8%
4 years or older	12.9%

*40 replies

Of the time you use your VCR, how much is spent doing each of the following?

	Percent of VCR time
Playing prerecorded tapes	52.1%
Playing back own recordings	41.1%
Making/watching home movies	6.8%

*34 replies

If you own a VCR, how are you employed?

	Percent of replies*
Professional	25.0%
Managerial	35.0%
Sales	7.5%
Clerical	2.5%
Factory	2.5%
Laborer	2.5%
Homemaker, student, retired, military	25.0%

*40 replies

How much did your VCR cost?

	Percent of replies*
Under $500	8.6%
$500-$749	20.0%
$750-$999	25.7%
$1,000-$1,499	37.1%
$1,500 or more	8.6%

*35 replies. Average (median) price: $957.17

What brand is your VCR?

	Percent of replies*
Sony	44.1%
RCA	26.5%
Other**	29.4%

*34 replies

**Ten other brands were mentioned by one respondent each.

If you have a videocassette recorder, what format is it?

	Percent of replies*
Beta	51.4%
VHS	48.6%

*35 replies

Is there a videocassette recorder or VCR camera in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
VCR					
Northeast	420	10.48%	6.19%	16.67%	+59.1%
North Central	437	7.78%	5.26%	13.04%	+67.6%
Southeast	377	7.96%	4.77%	12.73%	+60.0%
South Central	200	6.50%	3.50%	10.00%	+53.8%
West	466	11.37%	7.08%	18.45%	+62.3%
Total	**1,900**	**9.16%**	**5.63%**	**14.79%**	**+61.5%**
VCR camera					
Northeast	420	2.38%	2.85%	5.23%	+120.0%
North Central	437	1.37%	1.83%	3.20%	+133.3%
Southeast	377	2.12%	2.92%	5.04%	+137.5%
South Central	200	2.50%	3.00%	5.50%	+120.0%
West	466	3.22%	2.58%	5.80%	+80.0%
Total	**1,900**	**2.32%**	**2.58%**	**4.90%**	**+111.4%**

Tenth Annual Consumer Survey

VCR owners rent an average of 4.1 cassettes per month

The average VCR owner among the 1,900 shoppers interviewed for the consumer survey reported renting 4.1 prerecorded videocassettes per month.

Most popular, they said, were tapes of movies made during the Eighties. In second place were movies made in 1979 or earlier. Following a distant third, according to the shoppers, were X-rated tapes. At the bottom of the list were educational or instructional tapes.

Where do the VCR owners get their prerecorded tapes? Some 35 percent belong to a videotape rental club.

Only 17.5 percent of the VCR owners, however, said that they rent their prerecorded videotapes from the same store where they bought their VCR. This indicates that the functions of distributing software and hardware are no longer as integrated as they once were, at least among our shoppers.

The VCR owners also indicated that they would much rather rent than buy their prerecorded videocassettes. In fact, in two months, they rent almost as many tapes as they own. The average VCR owner said he has about 9.5 prerecorded cassettes in his household.

The statistics indicate that consumers are using their VCR's more and more to watch prerecorded tapes, probably since rental programs have made cassette access much less expensive over the past few years *(See related story on page 22)*.

In fact, more than 10 percent of the respondents who own VCR's said they had not even bought a blank videotape in the past year.

Almost as many, however, indicated that they were enthusiastic recorders of either off-the-air or live material. They reported purchasing 20 or more blank cassettes in the past year.

The average number of tapes bought by VCR owners who reported buying any in the previous year was 8.8.

Audiocassette sales soar

Those consumers with audiocassette decks reported making regular purchases of blank cassettes. Forty percent said they bought at least one regular cassette per month and more than a quarter said they purchased more than four cassettes monthly.

More than half of the shoppers who own metal-capable cassette decks reported that they buy between four and 10 blank cassettes per month. At the same time, close to half, 46.1 percent, said they buy an average of one per month.

Eight-track deck owners reported buying fewer blank tapes. The vast majority, 93.7 percent, said they buy three tapes per month or fewer.

Tracking ownership of blank audiocassettes, the survey found that close to one third of the deck owners owned more than 30 standard cassettes. Close to one third of the owners of metal-capable decks reported owning more than 20 tapes. And nearly one quarter of the owners of eight-track decks said they had more than 20 cassettes in their household. ●

Videotape and Audiotape

How many blank videotapes did you buy in the past year?

	Percent of replies*
None	10.3%
1-3	38.5%
4-9	17.9%
10-19	23.1%
20 or more	10.2%

Average for those buying any: 8.8

*39 replies

How many blank audiocassettes do you buy per month, in the following formulations?

	Percent of replies		
	Standard	Metal	Eight-track
(Number of replies)	(85)	(13)	(16)
1	40.0%	46.1%	50.0%
2-3	32.9%	7.7%	43.7%
4-5	14.1%	23.1%	—
6-10	7.1%	23.1%	6.3%
Over 10	5.9%	—	—

Of the prerecorded videotapes you rent, what portion are each of the following?

	Percent of videotapes
Films from 1980 or later	46.4%
Pre-1980 films	37.1%
X-rated films	11.3%
Educational/instructional films	3.9%
Other films	1.3%

24 replies

Do you rent prerecorded videotapes from the store that sold you the VCR?

	Percent of replies*
Yes	17.5%

*40 replies

How many audiocassettes do you have that were purchased blank in the following formulations?

	Percent of replies		
	Standard	Metal	Eight-track
(Number of replies)	(121)	(21)	(26)
Less than 5	14.0%	33.3%	34.6%
5-10	32.2%	33.3%	26.9%
11-19	14.9%	—	15.4%
20-29	14.0%	14.4%	7.7%
30-49	11.6%	9.5%	11.5%
50-74	5.0%	9.5%	3.9%
75-99	0.8%	—	—
100-199	5.0%	—	—
200-499	0.8%	—	—
500 or more	1.7%	—	—

Do you belong to a Videotape rental club?

	Percent of replies*
Yes	35.0%

*40 replies

How many prerecorded videocassettes do you rent per month?

Average number	4.1

*36 replies

How many prerecorded videocassettes are in your household?

Average number	9.5

*35 replies

Many shoppers plan to make hifi purchases later this year

Some 17 percent of the hifi owners interviewed for *Merchandising's* consumer survey reported that they plan to replace their system this year. And almost one third of the owners of component systems said that they plan to add or replace parts of it sometime in 1982.

This bodes well for retailers of high fidelity products, who have been hoping for a surge in sales for the past few years. If these consumers stick to their plans, this may be the year that audio sales begin to turn around.

In addition, the survey discovered that a considerable number of shoppers who do not now own a hifi sound system plan to buy one this year. In fact, 9.21 percent of the consumers who do not own a system said they expect to take the plunge.

If they do, this would boost saturation among our shoppers from 66.58 percent this year to 75.79 percent next year, an increase of 13.8 percent.

Activity appears to be strongest in the South Central states, weakest in the West.

Want new speakers

Component systems owners looking to upgrade their stereo reported that new speakers topped their list. Some 47.8 percent of the shoppers who said they will add to their systems this year will buy new speakers. Another 37 percent said they planned to purchase a new cassette deck and 34.8 percent want a turntable.

Those shoppers who do not already own a stereo but plan to buy one in 1983 will probably buy a component system. Some 45.5 percent said they would.

Console and compact stereos tied for second place among consumers entering the market.

The survey indicated that many of the stereos now in use in our shoppers' homes are getting along in years. Overall, almost one third of them are six years old or older.

This means that they are ripe for replacement *if* the owners can be shown the giant strides that have been made in sound technology in the intervening years.

Breaking down the age of the stereos by style showed that component stereo systems have held the sales lead for well over 10 years among the consumers interviewed for the survey. They accounted for 55.1 percent of the stereos the shoppers owned.

Console units accounted for 24.7 percent of the stereos and compacts, 21.9 percent.

It came as no surprise that component stereos were the unit of choice among single men first and married men second. Meanwhile, consoles were most popular among married and single women.

Compact stereos were most popular among single women.

High Fidelity Systems

If someone gave you $1,000 to spend as you wish, would you consider spending it on stereo equipment?

	Percent of replies*
Yes	33.9%
No	66.1%

*378 replies

If you do plan to add to or replace parts of your component system in 1982, which will they be?

	Percent of replies*
Speakers	[illegible]
Cassette deck	57.[illegible]%
Turntable	34.8%
Receiver	28.3%
Eight-track deck	21.7%
Tuner	17.4%
Equalizer	17.4%
Amplifier	15.2%
Other	2.2%
	**

*46 replies
**Adds to more than 100% due to multiple replies.

If there is no hifi system in your household, do you expect to get one in 1982?

	Percent of non-owners*
Yes	19.0%
No	81.0%

*116 replies

If you do plan to get a hifi system in 1982, what type will it be?

	Percent of replies*
Component hifi system	45.5%
Console stereo	22.7%
Compact stereo	22.7%
Not indicated	18.2%
	**

*22 replies
**Adds to more than 100% due to multiple replies.

Do you plan to add to or replace parts of your component system in 1982?

	Percent of replies*
Yes	31.1%
No	68.9%

*148 replies

Are all of the components of your hifi system made by the same manufacturer?

	Percent of replies*
Yes	43.2%
No	56.8%

*146 replies

How much did your hifi system cost initially?

	Percent of replies*
Under $200	11 2%
$200-$299	15.7%
$300-$399	13.0%
$400-$499	10.3%
$500-$599	11.7%
$600-$799	14.3%
$800-$999	7.6%
$1,000-$1,499	9.0%
$1,500-$1,999	3.6%
$2,000 or more	3.6%

Average cost of hifi system: $584.22
Range (low to high): $70 to $3,000

*223 replies

Do you plan to replace your hifi system in 1982?

	Percent of owners*
Yes	17.0%
No	83.0%

*265 replies

What year was your stereo system purchased?

	Percent of replies*			
	1981	1976–1980	1971–1975	More than 10 years ago
(Number of replies)	(20)	(138)	(61)	(28)
Console stereo	30.0%	19.6%	32.8%	28.6%
Compact stereo	20.0%	28.3%	13.1%	10.7%
Component hifi system	55.0%	54.4%	54.1%	60.7%

*Multiple replies

Where was your hifi system (and/or components) purchased?

	Percent of replies*
Hifi specialty store	22.4%
Department store	19.3%
Received as a gift	15.1%
Electronics specialty store	14.3%
Appliance/TV store	11.6%
Discount store	10.8%
Other	7.0%
	**

*259 replies
**Adds to more than 100% because of multiple replies.

When did you get your hifi system? If components, when was the first part(s) purchased?

	Percent of replies*
Less than one year ago	8.1%
1–2 years	27.7%
3–5 years	32.7%
6–10 years	23.8%
More than 10 years ago	7.7%

*260 replies

If you own a stereo system, what type is it? What is your sex and marital status?

	Percent of replies			
	Single men	Single women	Married men	Married women
(Number of replies)	(72)	(53)	(62)	(63)
Component hifi system	61.1%	43.4%	59.7%	54.0%
Compact stereo	25.0%	32.1%	14.5%	17.5%
Console stereo	13.9%	30.2%	25.8%	30.2%
		*		*
Average price of stereo owned:	$609.69	$548.21	$591.12	$571.93

*Adds to more than 100% due to multiple replies

Is there a hifi sound system in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	60.00%	8.10%	68.10%	+ 13.5%
North Central	437	76.20%	9.38%	85.58%	+ 12.3%
Southeast	377	62.60%	10.88%	73.48%	+ 17.4%
South Central	200	62.50%	13.50%	76.00%	+ 21.6%
West	466	68.45%	6.87%	75.32%	+ 10.0%
Total	**1,900**	**66.58%**	**9.21%**	**75.79%**	**+ 13.8%**

As for prices, again, single men were found to have paid the most for their stereo, an average of $609.69. Single women had paid the least, $548.21.

While the prices consumers had paid for their stereos ranged from $70 to $3,000, $584.22 was the average. The most popular price point was $200 to $299.

Bought at specialty stores

The stereo owners probed for the survey reported that most had bought their units at a hifi specialty store. Department stores came in second.

The shoppers also showed their faith in the manufacturers. Nearly half, 43.25 percent, said that their entire stereo system had been made by a single company.

Merchandising's surveyors asked the consumers whether, if given $1,000, they would consider spending it on stereo equipment. Surprisingly enough, more than a third said yes *(See related story on page 12)*.

So perhaps the time is ripe for a rejuvenation of the industry's sales. Only time will tell. ●

Tenth Annual Consumer Survey

Close to 20 percent of consumers queried own a videogame

Almost 20 percent of the shoppers approached by *Merchandising* for the consumer survey owned a videogame and another 9.2 percent indicated that they planned to buy one this year.

Many consumers, 44.1 percent, who already owned a videogame reported that they had bought (or expected to buy) between one and four cartridges the first year they owned the unit. And owners of Mattel models indicated that they owned an average of 12 cartridges as opposed to the 7.4 owned by Atari players and the 4.7 owned by Magnavox Odyssey gamesters.

Videogame owners also reported that Atari was, by far, the most popular model with them, accounting for 70.5 percent of the units owned. It was followed at a considerable distance by Mattel, with 18 percent.

Many own games

Non-video electronic games were owned by 29.47 percent of the consumers queried. Another 7.95 percent said they expect to buy one later this year, which would boost the saturation level to 37.42 percent, a 27 percent increase.

The most popular type of non-video electronic game was a handheld "entertainment" model followed by chess, backgammon or bridge.

The handheld "entertainment" category also held the number one position among consumers who expect to buy a game this year, although educational models took over the number two position here.

Looking at prices, most consumers said that they would be willing to pay an average of $47.63 for a chess, backgammon or bridge game; $27.52 for an educational model; $33.23 for a handheld "entertainment" game, and $39.60 for a tabletop "entertainment" game. ●

Electronic Games

Do you expect to buy a videogame unit in 1982?

	Percent of replies*
Yes	9.2%
No	90.8%

*369 replies

If you have videogame cartridges by Atari, Mattel or Magnavox Odyssey, what is the average number owned?

	Number of cartridges	Number of owners
Atari	7.4	38
Mattel	12.0	10
Magnavox Odyssey	4.7	3

Which of the following was the greatest influence on your decision to buy the videogame system you have?

	Percent of replies*
Advertising	50.0%
Word of mouth	30.9%
Price	11.8%
Children wanted it	4.4%
Other	2.9%

*68 replies

How many cartridges did you buy (or do you expect to buy) during the first year of ownership of your videogame system?

	Percent of replies*
None	3.9%
1-4	44.1%
5-9	31.2%
10-19	15.6%
20 or more	5.2%

*77 replies

What is the most you would consider paying for each of the following games?

	Percent of replies			
	Chess, backgammon, bridge	Educational game	Handheld "entertainment" game	Tabletop "entertainment" game
(Number of replies)	(84)	(89)	(98)	(71)
Under $10.00	4.8%	2.3%	1.0%	1.4%
$10.00-$19.99	26.2%	25.8%	10.2%	21.1%
$20.00-$29.99	33.3%	34.8%	43.9%	36.6%
$30.00-$49.99	11.9%	16.9%	28.6%	8.5%
$50.00-$74.99	15.5%	19.1%	10.2%	26.8%
$75.00 or more	8.3%	1.1%	6.1%	5.6%
Average price	$47.63	$27.52	$33.23	$39.60

Do you own a videogame unit?

	Percent of replies*
Yes	19.5%
No	80.5%

*369 replies

In 1982, which of the following non-video games are you likely to buy?

	Percent of replies*
Chess, backgammon, bridge	20.5%
Educational game	41.1%
Handheld "entertainment" game	45.2%
Tabletop "entertainment" game	27.4%
	**

*73 replies
**Adds to more than 100% due to multiple replies.

Which of the following non-video games do you have?

	Percent of replies*
Chess, backgammon, bridge	37.4%
Educational game	33.9%
Handheld "entertainment"	78.3%
Tabletop "entertainment"	35.7%
Other	2.6%

*115 replies
**Adds to more than 100% due to multiple replies.

If you do own a videogame unit, what brand is it?

	Percent of replies*
Atari	70.5%
Mattel Intellivision	18.0%
Magnavox Odyssey	4.9%
Apple II (computer)	1.6%
Pong	1.6%
Radio Shack (computer)	1.6%
Sears	1.6%
Other	1.6%
	**

*61 replies
**Adds to more than 100% due to multiple replies.

How many non-video games are currently in your household?

	Percent of replies*
1-2	41.7%
3-4	32.2%
5-7	13.9%
8-10	8.7%
11-15	2.6%
Over 15	0.9%

Average number of non-video games: 3.88

*115 replies

Is there a non-video electronic game in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	33.57%	8.33%	41.90%	+ 24.8%
North Central	437	25.40%	7.09%	32.49%	+ 28.0%
Southeast	377	25.20%	6.63%	31.83%	+ 26.3%
South Central	200	23.00%	12.00%	35.00%	+ 52.2%
West	466	35.84%	7.73%	43.57%	+ 21.6%
Total	**1,900**	**29.47%**	**7.95%**	**37.42%**	**+ 27.0%**

Tenth Annual Consumer Survey

Videodisc saturation could double among shoppers

More people plan to buy videodisc players in 1982 than owned them at the beginning of the year. At least that was the finding among the 1,900 shoppers interviewed by *Merchandising*.

Nationwide, only 2.32 percent of the consumers said they owned a videodisc player. However, 2.6 percent said they planned to purchase one later in the year.

If they do, saturation among this group of consumers would jump to 4.95 percent, an increase of better than 100 percent.

According to the survey, the videodisc is currently most popular in the North Central states and weakest in the South Central. But the latter region also contained the largest group of shoppers planning to make a videodisc purchase in 1982.

Aversions charted

Consumers who have no plans to buy a videodisc player reported for the most part they were simply not interested in the product. Almost as many said they thought the product was too expensive.

Another sizable group of shoppers said that they didn't know enough about videodisc players, would prefer a VCR or already owned a VCR. A much smaller group indicated that they would not buy a videodisc player because they did not believe there was enough software available to warrant a purchase.

Almost half of the videodisc owners, 45.5 percent, reported that they also owned a VCR, however.

The videodisc owners reported owning an average of 3.2 discs, renting another 2.6 per month and buying about 0.7 per month (or a little more than eight per year).

Videodisc owners also proved to be a relatively loyal crowd, at least so far. Some 83.3 percent said that they buy their discs from the same store that sold them their player. ●

Videodisc Systems

Do you buy or rent videodiscs from the same store that sold you the disc player?

	Percent of replies*
Yes	83.3%

*6 replies

How many videodiscs do you own, rent and buy per month?

	Average
Videodiscs owned	3.2
Videodiscs rented per month	2.6
Videodiscs bought per month	0.7

6 replies

If you do not have a videodisc player, and do not plan to buy one in 1982, why not?

	Percent of replies*
Not interested in it	38.8%
Too expensive	37.5%
Don't know enough about it	12.6%
Prefer a VCR	10.0%
Have a VCR	9.7%
Not enough discs available	2.3%
Other reasons	6.8%
	**

*309 replies

**Does not add to 100% because of multiple replies.

Is there a videodisc player in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	2.14%	2.85%	4.99%	+ 133.3%
North Central	437	3.43%	0.92%	4.35%	+ 26.7%
Southeast	377	1.86%	2.92%	4.78%	+ 157.1%
South Central	200	1.50%	8.00%	9.50%	+ 533.3%
West	466	2.15%	1.50%	3.65%	+ 70.0%
Total	**1,900**	**2.32%**	**2.63%**	**4.95%**	**+ 113.6%**

If you own a videodisc player, do you also own a VCR?

	Percent of replies*
Yes	45.5%

*44 replies

Price, size keep most shoppers away from projection TV

The biggest drawback to projection TV sales seems to be the product's high price tag. Some 41.4 percent of the consumers interviewed who said they had no plans to buy a set cited the price as the reason.

Almost as many, however, indicated that they were simply not interested in owning a giant-screen TV.

Another good sized group said that they didn't have enough room for such a large television. And slightly more than 10 percent said they would not buy a projection TV because they did not like the quality of the picture.

Nevertheless, just as many shoppers as now own the sets said that they planned to purchase one later this year, which would increase the saturation level among these 1,900 consumers to 4.94 percent, up from a current 2.47 percent.

Interest in the sets was strongest in the West and the Northeast and weakest in the Southeast.

Small households own sets

Unfortunately, it was the large households—those that could really use a projection TV—that did not have one. More than half of the sets owned by the consumers surveyed were in households that consisted of only one or two people.

Households with five or more accounted for only 8.9 percent of the sets. They probably felt they had more important things to do with their money.

Many consumers indicated that they consider the sets to be primarily a curiosity—good for bars, a plaything for the rich.

They noted that they did not think the projection television had much of a future as a mainstream consumer product.

Again, the price of the units along with their size were seen as standing in the way. ●

Projection TV

If you own a projection TV, how many people live in your household?

	Percent of replies*
1	33.3%
2	20.0%
3	17.8%
4-5	20.0%
More than 5	8.9%

*47 replies

If you do not have a projection TV and do not plan to get one in 1982, why not?

	Percent of replies*
Too expensive	41.4%
Not interested in it	40.0%
Don't have the room	14.7%
Don't like the quality of the picture	10.5%
Other reasons	4.2%
	**

*285 replies

**Does not add to 100% because of multiple replies.

Is there a large screen projection TV in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	2.38%	3.57%	5.95%	+ 150.0%
North Central	437	3.20%	0.92%	4.12%	+ 28.6%
Southeast	377	—	1.33%	1.33%	—
South Central	200	3.50%	1.00%	4.50%	+ 28.6%
West	466	3.43%	4.51%	7.94%	+ 76.2%
Total	**1,900**	**2.47%**	**2.47%**	**4.94%**	**+ 100.0%**

Many report being forced to buy a stereo with their car

A shocking 20.4 percent of the shoppers who had purchased their car stereo system when they bought their car told *Merchandising* that they had done so because the automobile dealer would not sell the car without a sound system.

Deals such as that help explain why 58.6 percent of the consumers who owned car stereos had bought them with the car.

A variety of misconceptions were cited by other shoppers who had bought their stereos from the car dealer. Most of the consumers, 26.5 percent, said they wanted a stereo that had been designed specifically for their car.

Another 24.5 percent indicated that they didn't want to have to bother with buying the sound system somewhere else.

And 10.2 percent reported that they thought they got a better price from the car dealer than they could have from a retail outlet.

Obviously, there's a lot of consumer education that has to be done in this area.

Many of the consumers who had bought their stereo with the car reported they had done so because it had been installed before they had looked at the car.

They had either been told or had been led to assume that it could not be removed.

Saturation will grow

Of the 1,900 consumers interviewed for the survey, 49.11 percent had some sort of car stereo system. Another 9.16 percent indicated that they planned to buy one later this year, which would raise the saturation level among this group to 58.27 percent, an increase of 18.6 percent.

As the survey was conducted, the highest concentration of car stereos was found in the West, where 55.36 percent of the households had one. The lowest concentration was the Northeast, where only 43.33 percent of the consumers reported owning a car stereo.

The area of greatest activity for this year was the Southeast, where 11.41 percent of the consumers interviewed said they planned to buy a car stereo in 1982. Surprisingly, the area indicating the least amount of growth was the West, where only 5.79 percent of the shoppers said they planned to make such a purchase.

If these consumers stick to their plans, by next year, 61.54 percent of those living in the Southeast will have car stereos, putting that region slightly ahead of the West, where 61.15 percent expect to have one.

What is particularly interesting is that by the end of the year more than 50 percent of the consumers in each region expect to have some kind of car stereo system installed in their car. ●

Car Stereo

If you purchased the stereo system with the car, why did you?

	Percent of replies*
Wanted a stereo that was specifically made for this car	26.5%
Didn't want to bother buying it elsewhere	24.5%
Dealer wouldn't sell car without the stereo	20.4%
Got a better price from the car dealer	10.2%
Other	19.4%
	**

*98 replies
**Adds to more than 100% due to multiple replies.

Do you own a car?

	Percent of replies*
Yes	90.68%
No	9.32%

*1,900 replies

Was the stereo system purchased with the car (at the same time)?

	Percent of replies*
Yes	58.6%
No	41.4%

*181 replies

Do you own a car stereo? Will you have one in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	43.33%	10.24%	53.57%	+ 23.6%
North Central	437	47.37%	11.21%	58.58%	+ 23.7%
Southeast	377	50.13%	11.41%	61.54%	+ 22.8%
South Central	200	48.50%	6.00%	54.50%	+ 12.4%
West	466	55.36%	5.79%	61.15%	+ 10.5%
Total	**1,900**	**49.11%**	**9.16%**	**58.27%**	**+ 18.6%**

Nearly 20 percent of households own a personal portable

Some 19.42 percent of the 1,900 consumers interviewed by *Merchandising* reported living in a household where someone owned a personal portable stereo (such as a Walkman). This represented a strong rate of saturation for such a relatively young product.

Among our shoppers, the personal portable was most popular in the West where 26.82 percent of those interviewed said they owned one. The South Central registered the lowest rate of saturation—only 10 percent.

The area expecting the greatest growth in this product category this year should be the North Central where 8.7 percent of the shoppers said they expect to buy a personal portable this year.

In fact, if all the consumers who plan to buy one this year follow through, saturation among our consumers should almost reach the 25 percent mark by the end of the year.

Overall, a 21.4 percent jump is expected in ownership by the end of the year among the 1,900 consumers.

As was expected, the largest group of owners of personal portable stereos was the under-21 age bracket. They held title to 48.7 percent of the units tracked in the consumer survey.

In second place were 40 to 49-year-olds, with 21.6 percent of the personal portables.

After that came 21 to 29-year-olds with 18.6 percent of the personal portables, 50 to 64-year-olds with 10.2 percent and, finally, 65-year-olds and over with four percent.

The average cost a personal portable was recorded at $136.77, although consumers reported paying everything from $30 to $500 for the product. ●

Personal Portable Stereo

How much did your personal portable stereo cost?

	Percent of replies*
Under $50	4.6%
$50-$99	27.7%
$100-$149	30.8%
$150-$199	20.0%
$200-$299	9.2%
$300 or more	7.7%

Average cost: $136.77
Range (low to high) $30 to $500

*65 replies

If you own a personal portable stereo, how old are you?

	Percent of replies*
Under 21	48.7%
21-29	18.6%
30-39	14.4%
40-49	21.6%
50-64	10.2%
65 or over	4.0%

*68 replies

What brand is your personal portable stereo?

	Percent of replies*
Sony	38.1%
Panasonic	20.6%
General Electric	7.9%
Sanyo	6.3%
Hitachi	4.8%
J.C. Penney	3.2%
Toshiba	3.2%
Other**	15.9%

*63 replies
**Ten other brands were mentioned by one respondent each.

Is there a personal portable stereo in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	17.38%	3.33%	20.71%	+ 19.2%
North Central	437	18.31%	8.70%	27.01%	+ 47.5%
Southeast	377	18.83%	2.39%	21.22%	+ 12.7%
South Central	200	10.00%	2.50%	12.50%	+ 25.0%
West	466	26.82%	2.79%	29.61%	+ 10.4%
Total	**1,900**	**19.42%**	**4.16%**	**23.58%**	**+ 21.4%**

Tenth Annual Consumer Survey

Shoppers prefer the phone company to owning their own

The majority of the consumers contacted by *Merchandising* reported that they did not own their own telephone simply because they preferred to deal with the phone company. That was the reply received from 51 percent of the shoppers who did not own a non-telephone company model.

The second most popular reason cited was the fact that phone ownership was too expensive. Some 26.2 percent of the shoppers gave that as their prime reason for not purchasing a telephone.

After that, far down the line in third place, came the explanation that the consumer was just not interested. Another group said that they did not need their own phone.

Almost five percent reported that the phone company would not let them own their own phones. Another group said they were afraid of what would happen if their own phone broke.

And others indicated that privately owned phones were too difficult to install, that they didn't know enough about the product or that maintenance was too expensive.

Obviously, this is another category where a good strong consumer education program would benefit retailers and manufacturers alike. There are many prejudices and misunderstandings to be overcome before the bulk of consumers can be wooed away from the phone company and enticed into buying their own telephones.

20 percent own phones

Across the country, an average of 19.47 percent of the shoppers queried reported owning their own telephone. Another 5.47 percent said they planned to get one this year, which would boost the saturation rate to just under 25 percent, an increase of 28.1 percent.

As the questions were asked, phone ownership was most popular in the Southeast, where more than 36 percent of the respondents said they owned their phones. It was least popular in the North Central region. There, just over 10 percent of the shoppers owned their phones.

The Southeast was also the hottest region for potential growth this year. Some 10.88 percent of the consumers there said if they didn't own a phone they would probably buy one this year. If they follow through with their plans, saturation in that region will grow to 46.95 percent by the end of the year, by far the highest in the country.

Standard is popular

The most popular phone among phone owners was the standard model, accounting for almost half of the units in consumers' homes. It was followed by designer phones, which had captured 38 percent of the market, and advanced electronic models, with 12.7 percent.

Cordless phones represented 8.9 percent of the privately owned phones in use.

More than half of the shoppers who owned phones said their household incomes exceeded $35,000 per year, although there were a good number of phones represented in every income range, even below $10,000.

Consumers who said they plan to buy a phone sometime later this year also voted for a standard model first. Some 60 percent said when they buy, that's what they'll choose.

Another 32 percent said they will pick a designer model. Four percent said they will opt for an advanced electronic phone with features such as automatic redial.

Finally, a strong 12 percent said they had their eye on a cordless phone.

Price expectations revealed

What would they be willing to pay?

The average price the shoppers would spend for a standard phone was $39.91, although some said they'd stop at less than $25 and others noted they'd be willing to pay between $150 and $300.

For a designer phone, the average price the shoppers would pay was $78.91, although once again, the prices ranged from less than $25 to more than $300.

For a phone with advanced electronic features, the consumers expressed a willingness to pay an average of $122.

However, for a cordless phone, they said, they would be willing to pay only an average of $93.24, a bit less than what the phones actually go for, at least at the moment.

Here again, however, some customers said they would be willing to pay more than $300 to have a cordless phone in their home. And others said they would lose interest if the price climbed to more than $25. ●

Telephones

If you do plan to purchase your own phone in 1982, what kind is it likely to be?

	Percent of replies*
Standard	60.0%
Designer	32.0%
Cordless	12.0%
Advanced electronic (includes auto redialer)	4.0%
	**

*25 replies
**Adds to more than 100% due to multiple replies.

Which of the following non-Telephone Co. phones do you have?

	Percent of replies*
Standard	49.4%
Designer	38.0%
Cordless	8.9%
Advanced electronic (includes auto redialer)	12.7%
	**

*79 replies
**Adds to more than 100% due to multiple replies.

What is the most you would be willing to pay for each of the following phones?

	Percent of replies			
	Standard	Designer	Cordless	Advanced electronic
(Number of replies)	(69)	(68)	(54)	(46)
Under $25	18.9%	2.9%	3.7%	2.2%
$25-$49	46.4%	25.0%	18.5%	8.7%
$50-$99	30.4%	39.7%	29.6%	34.8%
$100-$149	2.9%	23.5%	27.8%	19.5%
$150-$299	1.4%	7.4%	18.5%	26.1%
$300 or more	-	1.5%	1.9%	8.7%
Average price	$39.91	$78.91	$93.24	$122.17

If you own a non-Telephone Co. telephone, what is your income?

	Number of replies	Percent of replies
Under $10,000	26	19.2%
$10,000-$19,999	103	28.2%
$20,000-$24,999	68	16.2%
$25,000-$34,999	76	17.1%
$35,000-$49,999	46	10.9%
$50,000 or more	35	40.0%

If you do not own your own telephone, why not?

	Percent of replies*
Too expensive	26.2%
Too difficult to install	2.3%
Afraid of breaking	4.6%
Phone company forbids it	4.9%
Prefer to deal with phone company	51.0%
Not interested	6.8%
Don't need one	5.7%
Present phone is free	1.5%
Don't know enough about it	2.3%
Maintenance is expensive	0.8%
	**

*263 replies
**Adds to more than 100% due to multiple replies.

Is there a non-Telephone Co. telephone in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	16.19%	5.00%	21.19%	+30.9%
North Central	437	10.76%	2.52%	13.28%	+23.4%
Southeast	377	36.07%	10.88%	46.95%	+30.2%
South Central	200	25.00%	4.00%	29.00%	+16.0%
West	466	14.81%	4.94%	19.75%	+33.3%
Total	**1,900**	**19.47%**	**5.47%**	**24.94%**	**+28.1%**

10 Tenth Annual Consumer Survey

Calculators with clocks draw most consumers' interest

Which among the new crop of ancillary features being offered on calculators most interests the shoppers queried by *Merchandising?*

A clock, said most, 54.7 percent. After that came games, with 40 percent. Last on the list, a music feature was singled out by 24.2 percent.

This point should interest retailers and manufacturers alike. Since saturation levels of electronic calculators among the 1,900 consumers interviewed hit the 71.68 percent level this year, it's going to take new features to bring these customers back into the market.

Overall, 9.37 percent of the shoppers who did not own a calculator when questioned indicated that they plan to buy one this year, also opening a variety of sales opportunities for new customers. This also means that saturation, at least among this group of consumers, will reach 81.05 percent by the end of the year if everyone who said he was planning to buy a calculator actually does.

Saturation was strongest in the West. And that area is expected to retain its dominance through the end of the year.

The fastest growing area, according to our shoppers, should be the South Central, however, which is expected to register a 19.5 percent gain in unit ownership this year.

Calculators

What percent of the time you use your calculator does each of the following account for?

	Percent of replies*
Business	30.7%
Personal finances	54.1%
Studies	13.2%
Timekeeping/entertainment	1.1%
Other uses	0.9%

*259 replies

If you do plan to buy a calculator in 1982, what type will it be?

	Percent of replies
Handheld	61.7%
Desk-top	38.3%
(based on 60 replies)	
Printer	68.2%
Non-printer	31.8%
(based on 44 replies)	
Programmable	62.2%
Non-programmable	37.8%
(based on 37 replies)	

Which of the following features interest you in a handheld calculator?

	Percent of replies*
Clock	54.7%
Music	24.2%
Game	40.0%
	**

*95 replies

**Adds to more than 100% due to multiple replies.

Is there a calculator in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	70.47%	8.33%	78.80%	+11.8%
North Central	437	68.19%	7.78%	75.97%	+11.4%
Southeast	377	67.64%	11.94%	79.58%	+17.7%
South Central	200	64.00%	12.50%	76.50%	+19.5%
West	466	82.62%	8.37%	90.99%	+10.1%
Total	**1,900**	**71.68%**	**9.37%**	**81.05%**	**+13.1%**

If you own a calculator, what type is it?

	Percent of replies*
Handheld	86.2%
Desk-top	26.5%
(based on 260 replies)	**
Printer	32.2%
Non-printer	74.7%
(based on 174 replies)	**
Programmable	35.5%
Non-programmable	67.5%
(based on 169 replies)	**

*Multiple ownership

**Adds to more than 100% due to multiple replies.

Shoppers would pay an average $1,487 for a computer

A top price of $1,487 is what the average consumer represented in the *Merchandising* survey would be willing to pay for a personal computer.

While some indicated that they would be willing to pay more than $3,000 for a computer, others said they would bow out of the market at less than $250.

The most popular price range was $900 to $1,900. Some 29.6 percent of the respondents said that's what they would be willing to pay to have a personal computer in their home.

Overall, almost half, 49.4 percent, said they would be willing to pay more than $900 for such a product.

As the questions were asked, 5.58 percent of the 1,900 consumers surveyed reported having a personal computer in their household. Another 5.05 percent said they expected to get one this year, which would boost the saturation level to just over 10 percent, a jump of more than 90 percent.

Saturation was greatest in the Southeast, the consumers indicated. But the Northeast showed by far the greatest potential for growth this year.

Most used for business

Those consumers who already owned personal computers indicated that they used them most often for business purposes. It took up 55.6 percent of the time they used the computer, the respondents said.

In second position came entertainment. The personal computers in use devoted more than 20 percent of their time to entertaining their owners, according to the shoppers surveyed.

Some 13.9 percent of their time was spent in sorting out personal finances. Finally, only 9.9 percent of the time was spent in personal enrichment or other pursuits.

Personal Computers

What percent of the time is your computer used for each of the following?

	Percent of replies*
Business	55.6%
Personal finances	13.9%
Entertainment	20.6%
Personal enrichment/other	9.9%

*11 replies

What is the most you would consider paying for a personal computer?

	Percent of replies*
Under $250	8.6%
$250-$499	16.1%
$500-$899	25.9%
$900-$1,999	29.6%
$2,000-$3,000	9.9%
Over $3,000	9.9%

Average highest price consumers would consider paying: $1,487

*81 replies

Is there a personal computer in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	3.81%	6.67%	10.48%	+175.0%
North Central	437	5.72%	5.03%	10.75%	+88.0%
Southeast	377	7.43%	5.57%	13.00%	+75.0%
South Central	200	3.00%	3.00%	6.00%	+100.0%
West	466	6.65%	4.08%	10.73%	+61.3%
Total	**1,900**	**5.58%**	**5.05%**	**10.63%**	**+90.6%**

10 Tenth Annual Consumer Survey

Many shoppers consider an LCD to be a secondary watch

Nearly 20 percent of the consumers interviewed for *Merchandising's* consumer survey indicated their main interest in an LCD would be as a secondary watch.

This indicates that a large number of the shoppers see LCD models as a sports or leisure-time watch that can be worn instead of their usual analog timepiece.

Almost half, 46.3 percent, of the consumers, however, indicated that they consider an LCD to be a primary watch to be worn day in and day out. And slightly more than one third, 34.5 percent, indicated that they had no interest whatsoever in owning a digital watch.

Features rate high

When asked which features most interested them, the bulk of the shoppers, 56.8 percent, said they considered a constant day/date display to be most important. This, along with the battery problem, was probably one of the main points that led to the LCD's usurpation of the LED watch over the past few years.

Second on the list came thinness and other "fashion" appeal, with almost half, 47.5 percent, of the shoppers voting for that feature.

Almost as many people, 46.5 percent, said an alarm was important to them. Next came a water-resistant plastic case, selected by 33.3 percent of the shoppers.

A sizable number of votes were also garnered by a dual analog/digital display feature, a built-in calculator, a chronograph and music. Last on this list came games. Only 6.6 percent of the shoppers interviewed expressed any interest in being able to entertain themselves via their timepiece.

Paid $73.24

Those consumers who owned an LCD watch reported that they had paid an average of $73.24 for it. Prices ranged, however, from a low of $10 to a high of $370.

The most popular price point was the $50 to $99.99 range. Some 35.4 percent of the owners reported that's what they had paid for their watch.

In second place was the $25 to $49.99 range, accounting for 32.3 percent of the watches.

Some 10.4 percent said they had paid between $100 and $149.99 and the same number had paid from $150 to $299.99. Only 9.4 percent had bought their watch for under $25. And only 2.1 percent admitted to having paid more than $300 for their LCD watch.

What would the average consumer who did not own an LCD watch pay for one? It's interesting to note that they reported that, on the average, they would be willing to pay about $23 more for an LCD than the average owner had paid for his.

When asked what they would be willing to pay, the shoppers' replies averaged out to $96.29, although some said they'd go as high as $1,000 and others reported they'd lose interest if the price went over $10.

The most popular price point among the non-owners was the $50 to $99 range. Some 31.9 percent indicated that's what they would be willing to pay for an LCD watch.

In second place, 23.7 percent of the shoppers said they'd be attracted by a pricetag in the $100 to $149 area. Another 22.5 percent said the $25 to $49 range sounded good to them. And 11.8 percent said they'd be willing to pay between $150 and $299.

Less popular points were the under $25 range (5.3 percent of the consumers), $300 to $500 (3.6 percent) and over $500 (1.2 percent).

28.05 percent are owners

Among the 1,900 consumers interviewed, 28.05 percent across the country reported that they already owned an LCD watch.

Saturation was highest in the West, where 38.41 percent reported ownership, and lowest in the South Central states, where only 13 percent owned one.

The Southeast chalked up a 31.83 percent saturation rate, the Northeast 26.67 percent and the North Central states 21.97 percent.

Overall, 5.16 percent of the shoppers interviewed said that they planned to buy an LCD watch sometime later this year.

According to them, activity should be highest in the Southeast, where 9.55 percent plan to buy, and weakest in the South Central states, where only 1.5 percent are thinking of purchasing an LCD watch.

In the Northeast, 5.48 percent said they would buy one this year. Some 4.08 percent in the West said they would as did 3.89 percent in the North Central states.

If these consumers all go ahead with their planned purchases, the saturation rate across the nation will rise to just over one third of this consumer group, reaching 33.21 percent.

The highest rate of saturation will continue to be in the West, where 42.49 percent will own an LCD watch. And the South Central states will still show the lowest level of saturation, 14.5 percent.

The Southeast will show a saturation level of 41.38 percent, the Northeast 32.15 percent and the North Central states 25.86 percent.

This represents an expected percent change of 18.4 percent across the country, 30 percent in the Southeast, 20.5 percent in the Northeast, 17.7 percent in the North Central states, 11.5 percent in the South Central states and 10.6 percent in the West. ●

LCD Watches

Is your main interest in an LCD watch as a primary or secondary watch?

	Percent of replies*
Primary	46.3%
Secondary	19.2%
None at all	34.5%

*255 replies

How much did you pay for your LCD watch?

	Percent of replies*
Under $25.00	9.4%
$25.00-$49.99	32.3%
$50.00-$99.99	35.4%
$100.00-$149.99	10.4%
$150.00-$299.99	10.4%
$300.00 or more	2.1%

Average cost of LCD watch: $73.24

Range (low to high): $10 to $370

*96 replies

What is the most you would be willing to pay for an LCD watch?

	Percent of replies*
Under $25	5.3%
$25-$49	22.5%
$50-$99	31.9%
$100-$149	23.7%
$150-$299	11.8%
$300-$500	3.6%
Over $500	1.2%

Average price respondent would be willing to pay: $96.29

Range (low to high): $10 to $1,000

*169 replies

Which of the following features interest you on LCD watches?

	Percent of replies*
Constant day/date	56.8%
Thinness and other "fashion" appeal	47.5%
Alarm	46.5%
Water resistant plastic case	33.3%
Dual analog/digital display	29.5%
Calculator	21.3%
Chronograph	18.6%
Music	18.0%
Game	6.6%
Other	3.3%
	**

*183 replies

**Adds to more than 100% due to multiple replies.

What brand is your LCD watch?

	Percent of replies*
Timex	23.6%
Texas Instruments	14.6%
Seiko	12.4%
Armitron	9.0%
Casio	5.7%
Bulova	4.6%
Citizen	2.3%
Advance	2.3%
Pulsar	2.3%
Other**	23.2%

*89 replies

**Twenty other brands were mentioned.

Do you own an LCD watch? Will you have one in 1983?

	Number of households	Percent of households: Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	26.67%	5.48%	32.15%	+ 20.5%
North Central	437	21.97%	3.89%	25.86%	+ 17.7%
Southeast	377	31.83%	9.55%	41.38%	+ 30.0%
South Central	200	13.00%	1.50%	14.50%	+ 11.5%
West	466	38.41%	4.08%	42.49%	+ 10.6%
Total	**1,900**	**28.05%**	**5.16%**	**33.21%**	**+ 18.4%**

10 Tenth Annual Consumer Survey

Microwave ownership grows, and there is still potential

A minimum of one third of the 1,900 consumers surveyed in each geographic region, with the exception of the Northeast, now own a microwave oven.

But even though there may be industry indications that microwave sales are slowing, there is still a lot of market potential out there. The expected percent change for microwave ownership for the surveyed consumers represents 29.1 percent for 1983 over 1982.

Not surprisingly, the Northeastern region will show the largest percentage gain (47.7 percent). But this area has traditionally been much slower to jump onto the microwave trend than other areas of the country. Incredibly, at least some northeastern consumers are still reacting to the "radiation scares" of several years ago. Said one college educated respondent, "I'll never buy a microwave. They're not safe."

But while more consumers are buying microwaves, the type they are generally buying is starting to vary.

A few years ago around 90 percent of the units in consumers' homes were countertop models. Of the consumers surveyed this year who own microwaves, 55.6 percent of the units were countertops.

What this indicates is a growing strength of alternate options like single cavity combination units (17.9 percent) and the space-saver, over-the-range models, (12.3 percent) which will probably be the fastest-growing segment of the microwave market this year. Microwave/convection units are also catching on. They represent 8.5 percent of the ovens respondents own.

Most are satisfied

Fifty percent of the respondents purchased their ovens two to three years ago and reported that they are satisfied with the features their units sport.

The majority of them, 67.9 percent, said they would not consider trading in their present oven for one with additional features. But if they did, the conveniences most desired would include turntable, programmability and memory function.

Contrary to reports that many consumers use microwaves simply to heat coffee or to defrost a roast, a significant portion of the consumers told *Merchandising* that their ovens were well integrated into their cooking routines.

Almost one third, 30.3 percent, said they use the oven for 75 to 100 percent of the meals they prepare. An additional 23.2 percent use it for 50 to 74 percent of meals and approximately 31 percent reported 20 to 49 percent. The average percent of meals prepared with a microwave is 48.2.

But then, after paying an average price of $454 for the oven, most consumers are just not willing to relegate it to the novelty status and leave it to collect dust.

The ovens are a serious purchase, and a large percentage of the respondents, 32.5 percent, bought them in appliance/TV stores. An additional 23.2 percent were purchased in department stores. Almost 14 percent were bought at a Sears- or Penneys-type store. But specialty microwave operations and catalog showrooms each accounted for seven percent.

Microwaves save time

In agreement with the theory that time-saving appliances have been the working couple's salvation, 34.6 percent of the married women queried said they owned a microwave; 32.1 percent of the married men do too.

Evidently, single men are also concerned with getting the meals prepared in the least amount of time. Almost 34 percent said they own a microwave.

On the other hand, single women seem to prefer more traditional modes of cooking. Only 12.1 percent of those surveyed currently have a microwave at home.

Naturally, income played a part in microwave ownership. Of the respondents who earn less than $10,000 a year, 11.6 own a microwave. Similarly, in the $10,000 to $19,999 range, 11.5 percent own an oven.

The higher income bracket is where ownership is more significant. Almost 37 percent of respondents earning from $20,000 to $24,999 annually own a microwave; where salaries range from $25,000 to $34,999, 39.4 percent do.

Amost 35 percent of those in the $35,000 to $49,999 income bracket own a unit as do 59.4 percent of those who bring home $50,000 or more.

Cookware has variety

Of the various fabrications of microwave cookware available, many consumers own a variety. Forty-three percent of the respondents had purchased glass pieces in the past 12 months. Also, bought in the past year were ceramic pieces by 41.8 percent of the respondents as well as plastic, by 25.3 percent.

What was most important, consumers noted, was that the cookware be versatile, have oven-to-table capability, a microwave-safe guarantee and be lightweight.

Of less importance were factors like breakability, easy cleanability and being able to withstand high temperatures in conventional ovens.

How did consumers determine which type of cookware to use? Most were exposed to several sources. Almost 45 percent received some advice from friends, neighbors and/or relatives. Dealers also had some input in the decision of 22.9 percent of the respondents as did store demonstrators for 20.8 percent of the consumers surveyed.

Of less help were cookbooks on microwave usage, pamphlets and articles, as well as the instruction book which came with the oven.

Metal, Corning Ware and paper/cardboard/disposable cookware was less in favor with consumers. About 8 percent said they purchased metal units within the past year. And the other two categories each accounted for 3.8 percent of cookware purchases.

When questioned about planned cookware purchases this year, the majority, 70.2 percent, reported that the units already owned would be sufficient.

Microwave appliances have not achieved considerable saturation to date. Over 80 percent of the respondents said they do not own any. And of the 18.4 percent that do, cornpoppers and coffee makers were the favored items. Of all microwave owners, however, only 11.9 percent own a cornpopper; 10.9 percent own a coffee maker for the microwave. ●

Microwave Ovens and Cookware

What brand is your microwave oven?

	Percent of replies*
Amana	23.2%
General Electric	23.2%
Sears	15.9%
Litton	11.6%
Tappan	3.2%
Panasonic	3.2%
Sharp	3.2%
Hotpoint	3.2%
Jenn-Air	2.1%
Roper	2.1%
Montgomery Wards	2.1%
Other**	7.0%

*95 replies

**Seven other brands were mentioned.

How old is your microwave oven?

	Percent of replies*
1 year old or less	15.4%
2 years	27.9%
3 years	22.1%
4 years	18.3%
5 years	3.8%
more than 5 years	12.5%

*104 replies

Where did you buy your microwave oven?

	Percent of replies*
Appliance/TV store	32.5%
Department store	23.2%
Sears, Penneys type store	13.9%
Specialty microwave store	7.0%
Catalog showroom	7.0%
Discount store	3.5%
Got as premium	1.2%
Came with house	4.7%
Military exchange	2.3%
Other	4.7%

*86 replies

If there is a microwave oven in your household, what kind is it?

	Percent of replies*
Countertop	55.6%
Single cavity combination	17.9%
Space-saver/over the range	12.3%
Countertop microwave/convection	8.5%
Double oven/electric	3.8%
Double oven/gas	1.9%

*106 replies

Is there a microwave oven in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	22.85%	7.38%	30.23%	+ 47.7%
North Central	437	36.38%	10.30%	46.68%	+ 28.3%
Southeast	377	41.64%	13.26%	54.90%	+ 31.9%
South Central	200	33.50%	11.50%	45.00%	+ 34.3%
West	465	34.33%	7.94%	42.27%	+ 23.1%
Total	**1,900**	**33.63%**	**9.79%**	**43.42%**	**+ 29.1%**

10 Tenth Annual Consumer Survey

Microwave Ovens and Cookware (Cont.)

How much did your microwave oven cost?

	Percent of replies*
$200-$299	8.3%
$300-$399	22.9%
$400-$499	31.3%
$500-$599	19.8%
$600-699	12.5%
$700 or more	5.2%

Average price: $454
*96 replies

For what portion of time do you use your microwave oven, for each of the following?

	Percent of time
Cooking regular meals	43.5%
Simple defrosting	16.4%
Reheating foods	39.1%
Other	1.0%

*92 replies

What portion of your meals are prepared with the use of your microwave oven?

	Percent of replies*
Under 10%	7.1%
10-19%	8.1%
20-49%	31.3%
50-74%	23.2%
75-100%	30.3%

Average percent of meals prepared with microwave oven: 48.2%
*99 replies

If you did trade in your present microwave oven for one with additional features, what would they be?

	Percent of replies*
Turntable	50.0%
Programmability	35.7%
Memory	28.6%
Larger size	14.3%
Browning capability	14.3%
Delay start	10.7%
Temperature probe	10.7%
Other	10.7%
	**

*28 replies
**Adds to more than 100% due to multiple replies.

Would you consider trading in your present microwave oven for one with additional features?

	Percent of replies*
Yes	32.1%
No	67.9%

*106 replies

Which of the following features are important to you for microwave cooking?

	Percent of replies*
Programmability	47.7%
Temperature probe	38.4%
Memory	32.6%
Delay start	26.7%
Turntable	25.6%
Other	14.0%
	**

*86 replies
**Adds to more than 100% due to multiple replies

What percent of respondents in each income bracket own a microwave oven?

	Number of replies	Percent owning microwave oven
Under $10,000	43	11.6%
$10,000-$19,999	104	11.5%
$20,000-$24,999	57	36.8%
$25,000-$34,999	71	39.4%
$35,000-$49,999	58	34.5%
$50,000 or more	32	59.4%

If you own a microwave oven, what is your marital status, sex?

	Number of replies	Percent owning microwave oven
Single women	99	12.1%
Single men	62	33.9%
Married women	133	34.6%
Married men	84	32.1%

What type of microwave cookware have you purchased in the past 18 months?

	Percent of replies*
Glass	43.0%
Ceramic	41.8%
Plastic	25.3%
Metal	7.6%
Corning Ware	3.8%
Paper/cardboard/disposable	3.8%
	**

*79 replies
**Adds to more than 100% due to multiple replies.

Which of the following features are important to you in microwave cookware?

	Percent of replies*
Versatility of use	55.0%
Oven-to-table capability	52.0%
Microwave-safe guarantee	41.0%
Lightweight	24.0%
Browning element	23.0%
Easy storage	16.0%
Unbreakability	1.0%
Easy to clean	1.0%
Can be used in regular oven	1.0%
	**

*100 replies
**Adds to more than 100% due to multiple replies.

Do you plan to purchase any microwave cookware in 1982?

	Percent of replies*
Yes	29.8%
No	70.2%

*104 replies

How did you learn what type of microwave cookware to use?

	Percent of replies*
Friend, relative or neighbor	44.8%
From dealer who sold the oven	22.9%
Store demonstrator	20.8%
Cookbooks, pamphlets, articles	8.3%
Instruction book	4.2%
Advertisements	3.1%
	**

*96 replies
**Adds to more than 100% due to multiple replies.

Do you own any microwave oven appliances?

	Percent of replies*
Yes	18.4%
No	81.6%

*103 replies

Which of the following microwave oven appliances do you own?

	Number of replies*	Percent of microwave oven appliance owners*	Percent of all microwave oven owners**
Cornpoppers	12	63.2%	11.9%
Coffee makers	11	57.9%	10.9%
		***	

*19 replies
**103 replies
***Adds to more than 100% due to multiple replies

Tenth Annual Consumer Survey

To 85% of consumers, E.E.R. remains a mystery

Almost 85 percent of the room air conditioner owners queried told *Merchandising* that they were not familiar with the term E.E.R. This is despite all the education both manufacturers and retailers are doing in ad campaigns and with in-store point-of-purchase literature.

Consequently, it comes as no surprise that 74.1 of those consumers who recently purchased a room unit said E.E.R. was not a considertion at point-of-sale. What's more, 88.6 percent said it would not be a factor in their next purchase either.

Currently, about one third of the 1,900 consumers surveyed own one or more room air conditioners.

But the brutal temperatures in some areas of the country the past couple of summers may have convinced many more to take the plunge for comfort. About 42 percent of them said they will have a room unit in the home by 1983, an 18.1 percent increase.

Another factor fueling air conditioner sales has been the high cost of running a central system, cooling even those rooms which may not be used often, if at all. A couple of room units, many consumers found, can do the job just as efficiently, and with less strain on the pocketbook.

But as these consumers enter the market to buy new units or replace existing ones, they will find a larger quantity of high-efficiency units on dealers' shelves. ●

Room Air Conditioners

Will E.E.R. be a consideration in your next room air conditioner purchase?

	Percent of replies*
Yes	11.4%
No	88.6%

*377 replies

Was E.E.R. a consideration in your most recent room air conditioner purchase?

	Percent of replies*
Yes	25.9%
No	74.1%

*58 replies

Are you familiar with the term "E.E.R."?

	Percent of replies*
Yes	15.4%
No	84.6%

*377 replies

Is there a room air conditioner in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	42.38%	7.14%	49.52%	+ 16.9%
North Central	437	41.65%	9.15%	50.80%	+ 22.0%
Southeast	377	42.97%	4.51%	47.48%	+ 10.5%
South Central	200	42.00%	4.00%	46.00%	+ 9.5%
West	466	15.45%	6.01%	21.46%	+ 38.9%
Total	**1,900**	**35.68%**	**6.47%**	**42.15%**	**+ 18.1%**

If there is a room air conditioner in your household, what brand is it?

	Percent of replies*
General Electric	34.3%
Sears	13.0%
Carrier	9.3%
Fedders	9.3%
Whirlpool	7.4%
White-Westinghouse	5.6%
Emerson Quiet Kool	5.6%
Frigidaire	3.7%
Philco	2.8%
Amana	1.9%
Montgomery Wards	1.9%
Lennox	1.9%
Other**	10.0%
	***

*108 replies

**11 additional brands were mentioned.

***Adds up to more than 100% due to multiple replies.

Air purifiers are still not an impulse purchase

Consumers need to be told about air purifiers. Only 13.3 percent of air purifier owners reported that they purchased their unit after seeing it in a store.

This is in contrast to 30 percent of the buyers who learned about the category through advertisements and 40 percent who were told about them by friends.

Also helping to expose the consumer to this type of air technology are the companies which have given these units away as premiums. That, plus the number received as *gifts*, accounted for about 48 percent of air purifier ownership.

Still the affordable price points to be found in this category can certainly help contribute to impulse sales. About *53.9 percent of units owned* cost under $25. And even though there will be a lot of emphasis placed on upscale units this year, price points of the more competitive models will continue to drop. Some, with a rebate, are already below the $10 mark. ●

Air Purifiers

How did you find out about air purifiers?

	Percent of replies*
Advertisement	30.0%
Saw it while shopping	13.3%
Friend has one	40.0%
Gift	6.7%
Doctor	6.7%
Other	3.3%

*30 replies

In which rooms do you use your air purifier primarily?

	Percent of replies*
Living room/den	64.5%
Kitchen	25.8%
Bedroom	16.1%
Dining area	6.5%
Bathroom	3.2%
Children's room	3.2%
	**

*31 replies

**Adds to more than 100% due to multiple replies.

If you own an air purifier, are there "smokers" living in your home?

	Percent of replies*
Yes	44.6%
No	55.4%

*377 replies

In what type of store did you buy your air purifier?

	Percent of replies*
Department store	30.8%
Discount store	30.7%
Plumbing/heating store	11.6%
Appliance store	7.7%
Catalog showroom	3.8%
Drug store	3.8%
Received as gift	11.6%

*26 replies

Did you purchase your air purifier or receive it as a gift?

	Percent of replies*
Purchase	51.6%
Gift or premium	48.4%

*31 replies

What was the price of your air purifier?

	Percent of replies*
Under $20.00	15.4%
$20.00-$24.99	38.5%
$25.00-$34.99	19.2%
$35.00-$50.00	15.4%
Over $50.00	11.5%

*26 replies

If you do have an air purifier in your household, what brand is it?

	Percent of replies*
Norelco	53.4%
Sunbeam	26.7%
Pollenex	13.3%
Vaportek	3.3%
Other	3.3%

*30 replies

Is there an air purifier in your household? Will there be in 1983?

		Percent of households			
	Number of households	Have in 1982	Will get in 1982	Will have in 1983	Expected percent change 1983/1982
Northeast	420	7.62%	7.86%	15.48%	+ 103.1%
North Central	437	11.44%	8.24%	19.68%	+ 72.0%
Southeast	377	9.55%	6.10%	15.65%	+ 63.9%
South Central	200	6.50%	—	6.50%	—
West	466	10.73%	10.09%	20.82%	+ 94.0%
Total	**1,900**	**9.52%**	**7.32%**	**16.84%**	**+ 76.8%**

Tenth Annual Consumer Survey

Consumers are willing to fix appliances themselves

More than half, 53.6 percent, of appliance owners would be willing to try fixing their own units if parts were more easily available. And a significant number already try, at least some of the time.

Of the 377 consumers who responded to this questionnaire, 17.5 percent reported that they usually try their own repairs. An additional 39 percent said they do sometimes, depending on the difficulty of the job involved.

The problem, consumers reported, is that they are up against unavailability of parts as well as lack of repair know-how.

Importantly, women are just as willing as men to tread these waters. Almost 15 percent said they usually attempt their own repairs compared to 21.6 percent of the men; 37.5 percent reported they sometimes make the effort while 41.2 percent of the men do.

And of those who never try to repair their appliances, the numbers are fairly similar—46.9 women compared to 35.9 percent men.

Contracts ease worry

Some consumers prefer to leave the worry to someone else, however, even for something as simple as the replacement of a calrod unit. They have shelled out the additional funds at time of purchase, or later, for a service contract to ensure constant workability without costly service calls.

About similar percentages, around 18 to 19 percent, of consumers who own dishwashers, washing machines and dryers own contracts, as do 14.4 percent of refrigerator owners.

What's interesting is that only 9.1 percent of range owners have a contract. This is probably because this appliance is still essentially functional, even if only one burner out of four is operating. "The inconvenience," said one northeastern shopper, "is easier to live with."

What appliance dealers should be pleased to know is that when units that are not covered by a service contract break, the store where the item was bought is the number one choice for service, by 52.6 percent of those surveyed.

This may encourage some of those dealers who are contemplating dropping this segment of the business to maintain their efforts.

Over 35 percent of respondents frequent a service-only organization but some of them said that they use these facilities because their local appliance dealer just doesn't provide service anymore.

Fewer consumers, seven percent, go to their landlord or super for repairs. Still, when time is a consideration, this option seems to provide the fastest results, as the appliance is often looked at the same day that the complaint is registered.

Faster results are also provided by service-only organizations as opposed to the response by the store where the unit was bought. About 49 percent of calls from service-only organizations are answered the same to next day, consumers said, compared to 30.8 percent from the store where the unit was bought.

And, unfortunately, a good part of the time, consumers are left sitting with an unusable appliance for up to three days.

But once the job is done, the results are usually satisfactory, said respondents. At least 50 percent of them rated the service from good to excellent. ●

Major Appliance Repairs

How frequently do you try to repair a major appliance in your home?

	Percent of replies		
	Women	Men	Total
(Number of replies)	(224)	(153)	(377)
Usually	14.7%	21.6%	17.5%
Sometimes	37.5%	41.2%	39.0%
Never	46.9%	35.9%	43.5%
No Answer	0.9%	1.3%	—

Would you be more likely to try to fix an appliance yourself if parts were easily available?

	Percent of replies*
Yes	53.6%
No	46.4%

*377 replies

Of the appliances that you have in your household, which ones do you have service contracts for?

	Percent that own appliance*	Percent that have service contract**
Dishwasher	65.3%	19.1%
Range	93.6%	9.1%
Refrigerator	97.3%	14.4%
Washing machine	79.6%	19.7%
Dryer	75.1%	18.4%

*377 replies
**Of those owning appliance

Where do you go for non-warranty repairs if your major appliance breaks and you can't repair it?

	Percent of replies*
Store where item was bought	52.6%
Other store	7.2%
Service-only organization	35.4%
Landlord/Super	7.0%
Manufacturer	0.6%
	**

*359 replies
**Adds to more than 100% because of multiple replies.

If a repair is to be done on an appliance in your home, how long after your call does a serviceman arrive?

	Percent of replies				
	Store where bought	Other store	Service-only organization	Landlord or Super	Total
(Number of replies)	(162)	(19)	(105)	(14)	(300)
Same day	12.3%	36.8%	16.2%	42.9%	16.7%
Next day	18.5%	26.3%	32.4%	14.3%	23.7%
2 to 3 days	45.1%	31.6%	36.2%	28.6%	40.3%
4 to 6 days	8.6%	5.3%	2.9%	7.1%	6.3%
1 week	12.4%	—	11.4%	—	10.7%
More than 1 week	3.1%	—	0.9%	7.1%	2.3%

How do you rate the service usually provided?

	Percent of replies				
	Store where bought	Other store	Service-only organization	Landlord or Super	Total
(Number of replies)	(166)	(19)	(109)	(16)	(310)
Good to Excellent	66.3%	52.6%	70.6%	81.3%	67.7%
Fair	30.1%	47.4%	24.8%	12.5%	28.4%
Poor to Unsatisfactory	3.6%	—	4.6%	6.2%	3.9%

Light weight plus features makes irons a winner

Tenth Annual Consumer Survey 10

Having an iron that weighed less wouldn't matter to consumers if it didn't have other desired features. But evidently, the new units perform up to expectations because almost two thirds of the consumers who have tried the lightweight models like them.

This should be reassuring for an industry in which two of the "big guns" halted all-metal production for the U.S. market.

And it encourages retailers to continue promoting the new units for their most obvious benefit—the weight of the iron is now as low as 1½ lbs. or less.

Of the 354 consumers who told *Merchandising* that they had recently purchased an iron, 39.8 percent said the new one was a lightweight.

Several reasons were cited for their choice, including "It had all the features I wanted," and "Because it weighs less, it's easier to use."

And in some markets the lightweights must have been priced similarly to their metal counterparts, for 35.3 percent of the buyers said price was their motivation.

Education is needed

Of course suppliers and dealers will still have to educate those consumers who believe that the weight of a metal iron is a plus in actual pressing. But once the switch is made it will probably be permanent. Only 10.1 percent of the consumers who tried lightweights reported dissatisfaction. And about 25 percent could perceive no differences in performance.

What's more, the success of the iron may be the impetus needed to encourage suppliers to use lightweight fabrications in other small appliances.

Some dealers have expressed opinions in the past that consumers would not be apt to favor lightweight units in items like toasters and blenders because, "They don't have to be lifted to be used." But 55.7 percent of the lightweight iron owners said they would certainly consider purchasing other lightweight units. ●

Lightweight Appliances

If you switched from an all-metal to a "lightweight" appliance, how did you like it?

	Percent of replies*
Liked it	64.5%
Didn't like it	10.1%
No difference	25.4%

*138 replies

If you purchased a "lightweight plastic" iron, what was your reason?

	Percent of replies*
Had all features I wanted	35.3%
Weight difference	32.4%
Price	35.3%
Choice of colors	2.9%
Limited metal models to select from	7.2%
Gift	10.1%
Wife wanted it	1.4%
Size	0.7%
	**

*139 replies

**Adds to more than 100% because of multiple replies.

Would you consider purchasing other appliances, like toasters and blenders, of lightweight materials?

	Percent of replies*
Yes	55.7%
No and no answer	44.3%

*377 replies

What was the most recent iron you purchased made of?

	Percent of replies*
Mostly metal	60.2%
Lightweight plastic top/metal bottom	39.8%

*354 replies

Over 50 percent of consumers own a smoke detector

Over half (56.47 percent) of the 1,900 consumers surveyed reported that they own at least one smoke detector, no doubt a result of the rash of advertising throughout the industry a few seasons ago.

What also pushed the units into more consumers' homes was the increasingly affordable price points as retails dropped continually in this highly competitive market.

Too, local legislation played a part. About 34 percent of smoke detector owners reported that this was the prime motivation in their purchase. It may also be part of the reason that an additional 9.95 percent of the total sample will have a smoke detector by 1983, a 17.7 percent increase.

The hallway is where the smoke detectors are positioned, said 80.1 percent of the owners. Twenty-five percent of them also have placed them in the bedroom with 25 percent reporting the kitchen as well. But only 8.7 percent of respondents have put one in the children's room.

A lot of consumers, however, are not content to trust just one unit. Although 44.6 percent do, 50.2 percent own two to three smoke detectors. ●

Smoke Detectors

What brand(s) of smoke detector do you own?

	Percent of replies*
First Alert	30.2%
General Electric	28.6%
Sears	9.5%
Norelco	5.6%
Honeywell	4.8%
K mart	4.0%
ADT	4.0%
Amway	4.0%
Sunbeam	3.2%
Universal	2.4%
Montgomery Wards	2.4%
Penneys	1.6%
Other**	4.0%
	***

*126 replies

**Five additional brands were named by one respondent each.

***Adds to more than 100% due to multiple replies.

If you do own a smoke detector, how many do you have in your household?

	Percent of replies*
1	44.6%
2	39.8%
3	10.4%
4	3.9%
more than 4	1.3%

*231 replies

If you own a smoke detector, are you required by local laws to have one?

	Percent of replies*
Yes	34.2%
No	65.8%

*231 replies

In which rooms of your home are your smoke detectors located?

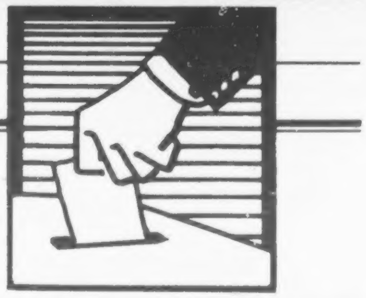
	Percent of replies*
Hallway	80.1%
Bedroom	25.5%
Kitchen	24.7%
Children's room	8.7%
Living room	6.9%
Basement	5.2%
Garage	3.0%
Family room	2.6%
Laundry room	1.3%
Attic	0.4%
Stairway	0.4%
	**

*231 replies

**Adds to more than 100% due to multiple replies.

Is there a smoke detector or travel smoke alarm in your household? Will there be in 1983?

	Number of households	Percent of households: Have in 1982	Percent of households: Will get in 1982	Percent of households: Will have in 1983	Expected percent change 1983/1982
Smoke detector					
Northeast	420	57.14%	12.38%	69.52%	+21.7%
North Central	437	57.44%	7.32%	64.76%	+12.8%
Southeast	377	55.17%	13.00%	68.17%	+23.6%
South Central	200	43.00%	5.50%	48.50%	+12.8%
West	466	61.80%	9.66%	71.46%	+15.6%
Total	**1,900**	**56.47%**	**9.95%**	**66.42%**	**+17.7%**
Travel smoke alarm					
Northeast	420	1.43%	2.62%	4.05%	+183.3%
North Central	437	2.06%	2.52%	4.58%	+122.2%
Southeast	377	2.39%	4.77%	7.16%	+200.0%
South Central	200	0.50%	0.50%	1.00%	+100.0%
West	466	2.79%	1.50%	4.29%	+53.9%
Total	**1,900**	**2.00%**	**2.53%**	**4.53%**	**+126.3%**



41 calc dealers get one-third plus markup; handheld programmable units rank highest

By William Silverman, sr. assoc. ed.

NEW YORK—Dealers averaged a better than one-third markup on calculator sales of $21,484 last year. This represented a 17.5 percent volume increase, according to the 41 retailing companies surveyed in *Merchandising's* Retail Opinion File.

Handheld programmable units allowed the highest markup, averaging 37.1 percent. Close behind were desk-top printers, at 36.3 percent. Non-printing desk-top units offered dealers the lowest margins, at 31.1 percent.

What's significant is that many respondents reported they have increased their calculator business and its profitability, despite what some perceive as growing competition.

For in the past 18 months, virtually every major calculator manufacturer has introduced a blister-card program, aimed at grocery, drug and other high-volume outlets. Fifteen percent of the respondents said they use the packs. One third of these said the cards represent less than one sale in 10. Another third said they account for 10 to 25 percent of their volume and one third reported the figure to be over 25 percent.

Dealers are upbeat

Regarding the calculator industry in general for 1982, many retailers expressed optimism, but, they said, there will be some changes made in their merchandise mix.

Said one hardware dealer, "Handheld inventory will be cut, and there will be an increase made in the printer category. Customers are asking for print-out machines."

Noted another hardware dealer, "There will be an increase in small printer desk-top units—the most popular item with us."

A department store executive commented, "Desk-top printers with digital display and cheap (under $10) handhelds sell best."

On the other hand, one department store operator plans to decrease calculator sku's because of "problems of pilferage, both internal and external."

And a radio/TV store head reported that he "plans to phase out calculators because we can't compete with discounters."

Of those dealers planning to stay in the business, most carry either two or three brands, and that won't change much in 1983, they said.

Handheld calculators account for better than eight of every 10 sales. Non-printers take 88.4 percent of the handheld volume.

Wallet-sized calcs represented 58.7 percent of reported sales; programmables account for 35 percent.

In the novelty category, the most popular feature with consumers has been the time function. Twenty-two percent of the models sold offered that feature. Games were sported on 17.7 percent of the units; 16.2 percent were musical.

In sales of desk-top models, printers accounted for the majority—77 percent.

Price points change

At a time when most price points for calculators are decreasing, dealers reported that the average retails for both handheld and desk-top non-printers increased last year. Prices jumped five percent to $19.57 for handhelds; up 6.2 percent to 46 for desk-tops.

Other retail price points decreased.

The average most popular price for handheld printers dropped to $41.73 from $43.20 last year; handheld programmables declined 1.8 percent to $66.44. Volume in handheld novelty calcs is at $21.90, as opposed to $23.24, and desk-top printers are moving at the average retail of $82.18, a decline of 3.9 percent.

To help combat loss of profit from lower retails, three out of four dealers are advertising to help move a larger quantity of units.

Of these dealers, one half use local newspapers. Flyers, circulars and "pennysavers" find favor with 37.5 percent. Catalogs, direct mail, radio and other media are also used by some of the respondents.

And, many of the ads are run frequently. One third of the dealers advertise 10 or more times a year. Although 22 percent of them run ads only once or twice yearly, better than 28 percent reported three to five times and 15.6 percent promote six to nine times annually.

Even so, some dealers feel it's not worthwhile to advertise calculators at all. Stated one, "We concentrate on other, bigger-ticketed items."

What portion of your total calculator sales ($) is accounted for by each of the following types of calculators?
(Based on 41 replies)

	Percent of calculators
Handheld	81.5%
Desk-Top	18.5
Total	100.0%

What portion of your handheld calculator sales ($) and what portion of your desk-top calculator sales ($) do printers and non-printers account for?

	Printer	Non-printer
Handheld (39 replies)	11.6%	88.4%
Desk-top (30 replies)	77.0%	23.0%

What portion of your handheld calculator sales ($) do each of the following account for?
(Based on 39 replies)

Progammable	35.0%
Novelty	6.3
Others	58.7
Total	100.0%

How much (%) above or below "list" do you price each of the following types of calculators?

	Number of replies	Average percent above or below list
Handheld printer	14	– 2.1%
Handheld non-printer	22	+ 1.8
Handheld programmable	11	+ 6.4
Handheld novelty	11	+ 4.5
Desk-top printer	17	+ 0.9
Desk-top non-printer	12	+ 3.3

What was the most popular retail price point for each of the following types of calculators in 1981? in 1980?

	Number of replies	Average most popular price 1981	Average most popular price 1980	Percent change 1981/1980
Handheld printer	19	$41.73	$43.20	– 3.4%
Handheld non-printer	34	$19.57	$18.64	+ 5.0
Handheld programmable	8	$66.44	$67.67	– 1.8
Handheld novelty	25	$21.90	$23.24	– 5.8
Desk-top printer	22	$82.18	$85.51	– 3.9
Desk-top non-printer	13	$46.00	$43.31	+ 6.2

What was your calculator sales volume ($) in 1981? In 1980?

	1981	1980	Percent change 1981/1980
Calculator sales volume	$21,484	$18,277	+ 17.5%

How many different brands of calculators do you carry? How many do you expect to carry a year from now?
(Based on 38 replies)

	Percent of response 1982		Percent of response 1983	
none	(0)	0.0%	(1)	2.6%
1 brand only	(5)	13.2	(5)	13.2
2 brands	(14)	36.8	(16)	42.1
3 brands	(14)	36.8	(13)	34.2
4 brands or more	(5)	13.2	(3)	7.9
Total	(38)	100.0%	(38)	100.0%
Average number of brands carried:		2.8		2.5

Do you advertise calculators?
(Based on 41 replies)

	Number of replies	Percent of response
Yes	32	78.0%
No	9	22.0
Total	41	100.0%

Characteristics of the sample

Type of responding company:

	Number of replies	Percent of response
Housewares/Hardware/Home Center	11	26.8%
Department Store/General Retail	10	24.3
Catalog/Mail Order	6	14.6
Radio/TV Store	4	9.8
Discount Store	4	9.8
Auto Supply Store	2	4.9
Farm Supply Store	2	4.9
Other	2	4.9

NEW RELEASES

Columbia

THE BATTY WORLD OF BASEBALL (1981) A funny look into the personalities of baseball. Includes segments on Leo Durocher, Casey Stengel, Billy Martin and Babe Ruth, as well as special appearances by other baseball favorites. Produced by Major League Baseball. *Color Columbia Pictures Home Entertainment.*

FAMILY LIFE (1972) An English production centering on a 19-year-old girl who is in the middle of an identity crisis. Stars Sandy Ratcliff. *Color Columbia Pictures Home Entertainment.*

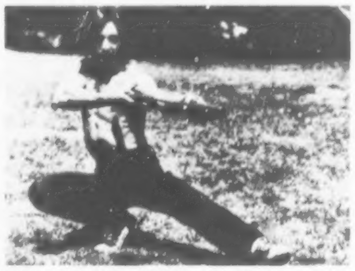
A SIMPLE STORY (1980) A French film, dubbed into English, presents the story of a successful designer who must face her fortieth birthday. Romy Schneider won the French academy award for her feature performance. *Color Columbia Pictures Home Entertainment.*

STRIPES (1981) Comedy about two friends, played by Bill Murray and Harold Ramis, who join the army to keep America free and to meet girls. Also stars Warren Oates, P.J. Soles and John Candy. *Color R Columbia Pictures Home Entertainment.*

Media

THE DARK (1979) Horror drama about a series of murders committed by a super-natural beast. Stars William Devane, Cathy Lee Crosby, and Keenan Wynn. *Color 92 minutes Media Home Entertainment C: $54.95.*

THE FORCE BEYOND (1978) Examines psychic investigations, alien encounters and life on other planets. Includes unseen footage of Bigfoot, The Devil's Triangle, alien sightings and flying saucers. *Color 85 minutes Media Home Entertainment C: $54.95.*



KILL AND KILL AGAIN (1981) A martial arts champion is hired to rescue a kidnapped Nobel Prize-winning chemist who has developed a synthetic fuel which yields more than 1,000 miles per gallon. Its by-product can control the minds of people. *Color 100 minutes Media Home Entertainment C: $54.95.*

Vestron Video

COMEDY TONIGHT (1977) Comedy from the Improvisation in Los Angeles is hosted by David Steinberg who has the honor of introducing new comedy talent to the audience. In this presentation from Home Box Office, the comedians featured are Andy Kaufman; Robin Williams, who reveals the X-rated side of his act; Gallagher, who performs his Sledge-O-Matic routine, and Ed Bluestone with the team of Richard Libertini and McIntyre Dixon. *Color 76 minutes Vestron Video.*

GOOD GUYS WEAR BLACK (1977) Chuck Norris, the six-time world karate champ, portrays John T. Booker, an ex-Vietnam commando whose war actions have put him at the top of the CIA's hit list. *Color 96 minutes PG Vestron Video.*

JOE (1970) An unusual friendship develops between a wealthy executive (Dennis Patrick) and a welder (Peter Boyle), when they join forces to search for the former's runaway daughter, played by Susan Sarandon. *Color 107 minutes R Vestron Video.*

WHY THE UNITED WAY IS MORE IMPORTANT AFTER PROPOSITION 13 THAN EVER BEFORE.

There's a new attitude in America, typified by Proposition 13.

Americans aren't opposed to helping each other, but they are opposed to bearing the ever rising costs of government. And many of them have decided to put a lid on taxes.

That means that in many places across the country, the government may be doing less than it has been up until now.

Less for people in need of help. Less for everyone.

And that means the United Way is going to have to stretch itself further and more efficiently than ever before, or a lot of people who desperately need assistance of one kind or another are simply not going to get it.

Will the United Way be there to give that assistance when it's needed?

That's up to you. Now, more than ever before, the United Way needs your help.

Thanks to you, it works. For all of us. United Way

A Public Service of This Magazine & The Advertising Council

Merchandising's TOP 50

		Last month's position	Months on chart
1.	**An American Werewolf in London** *(MCA Videocassette)*	1	4
2.	**Clash of the Titans** *(MGM/CBS Home Video)*	6	2
3.	**Mommie Dearest** *(Paramount Home Video)* **I**	9	2
4.	**Continental Divide** *(MCA Videocassette)*	—	1
5.	**Paternity** *(Paramount Home Video)* **I**	17	2
6.	**Apocalypse Now** *(Paramount Home Video)*	2	4
7.	**The Jazz Singer** *(Paramount Home Video)* **I**	5	6
8.	**Stir Crazy** *(Columbia Pictures Home Entertainment)*	3	6
9.	**Four Seasons** *(MCA Videocassette)* **GI**	10	3
10.	**Scanners** *(20th Century-Fox Video)*	—	1
11.	**Night Hawks** *(MCA Videocassette)* **G**	21	7
12.	**Kramer vs. Kramer** *(Columbia Pictures Home Entertainment)* **GI**	4	5
13.	**Superman** *(Warner Home Video)* **I**	13	27
14.	**Airplane** *(Paramount Home Video)* **I**	7	15
15.	**The Howling** *(20th Century-Fox Video)*	—	1
16.	**9 to 5** *(20th Century-Fox Video)* **PI**	12	13
17.	**The Blue Lagoon** *(Columbia Pictures Home Entertainment)* **I**	8	6
18.	**Caddyshack** *(Warner Home Video)* **GI**	14	14
19.	**Tess** *(Columbia Pictures Home Entertainment)* **I**	24	7
20.	**The Blues Brothers** *(MCA Videocassette)* **GI**	36	17
21.	**Busting Loose** *(MCA Videocassette)*	16	6
22.	**Fort Apache—The Bronx** *(Vestron Video)* **I**	—	1
23.	**Animal House** *(MCA Videocassette)* **GI**	40	19
24.	**Fiddler on the Roof** *(20th Century-Fox Video)* **I**	19	7
25.	**The Muppet Movie** *(20th Century-Fox Video)* **PI**	37	23
26.	**Endless Love** *(MCA Videocassette)*	11	6
27.	**The Texas Chainsaw Massacre** *(Wizard Video)* **I**	—	1
28.	**Raging Bull** *(20th Century-Fox Video)* **I**	22	7
29.	**Ordinary People** *(Paramount Home Video)* **PI**	15	10
30.	**Friday the 13th** *(Paramount Home Video)* **I**	18	13
31.	**My Bodyguard** *(20th Century-Fox Video)*	—	5
32.	**. . . And Justice For All** *(Columbia Pictures Home Entertainment)* **I**	23	6
33.	**Star Trek—The Motion Picture** *(Paramount Home Video)* **I**	38	17
34.	**Black Stallion** *(20th Century-Fox Video)* **I**	31	9
35.	**Enter the Dragon** *(Warner Home Video)* **GI**	25	25
36.	**M*A*S*H** *(20th Century-Fox Video)* **PI**	27	43
37.	**Fame** *(MGM/CBS Home Video)* **I**	30	13
38.	**The Competition** *(Columbia Pictures Home Entertainment)*	33	5
39.	**Coal Miner's Daughter** *(MCA Videocassette)* **GI**	20	19
40.	**Casablanca** *(20th Century-Fox Video)* **I**	42	7
41.	**Alien** *(20th Century-Fox Video)* **PI**	35	22
42.	**Only When I Laugh** *(Columbia Pictures Home Entertainment)*	—	1
43.	**Cannonball Run** *(Vestron Video)* **I**	—	1
44.	**The Godfather** *(Paramount Home Video)* **PI**	32	33
45.	**Close Encounters of the Third Kind** *(Columbia Pictures Home Entertainment)* **GI**	48	18
46.	**Fists of Fury** *(Golden Video)*	—	6
47.	**2001—A Space Odyssey** *(MGM/CBS Home Video)* **GI**	—	15
48.	**My Fair Lady** *(MGM/CBS Home Video)* **I**	50	5
49.	**Cheech & Chong's Next Movie** (MCA Videocassette) **I**	—	10
50.	**Somewhere In Time** *(Warner Home Video)* **I**	—	7

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I —Golden Videocassette award—has audited return sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

75th ANNIVERSARY

A GRALLA PUBLICATION

JUNE 1982

Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

-1 C4200-1 6/15/82

International Summer Consumer Electronics Show

Vendors Rip the Wraps Off Product Surprises at CES

COMPONENT VIDEO, CAR STEREO HOME COMPUTERS STEAL SHOW

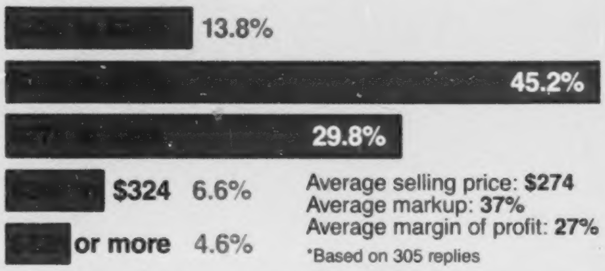
CHICAGO—Parading new technology before the nation's electronics retailers, manufacturers unveil a flat screen TV, emphasize remote controls, show phones that think and aim new software at games, VCR's, disc players and computers.

Raise money at low rates for your store

A new column by financial correspondent Allen Fishman tells retailers how to beat the high cost of financing by knowing what lenders and investors are looking for on any application.

Average microwave oven profit margin is 27% report retailers representing 5,248 stores

Q. If you were to pay $200 for a microwave oven (inventory), how much would you sell it for in your store?*



Average selling price: **$274**
Average markup: **37%**
Average margin of profit: **27%**

*Based on 305 replies

Courtesy: MITRE Corp.

Our quiz asks:

'What Is Your Security IQ?'

Test yourself on this top-priority topic. Send the answers to Merchandising, we'll grade the quiz for free!

Retailers struggle to keep up with new videogame products

Tough decisions must be made about what to carry as a burgeoning industry gets competitively hot

INADEQUATE WINDOWS HURT PRERECORDED VIDEO SALES AS PAY TV PICKS UP STEAM

Car Stereo Retailers Say The Installation Business Is Booming

SMALL ELECTRICS GET GOURMET SHOW SPOTLIGHT

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SALES OFFICES
Eastern Regional Office:
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Susan Matthews (212) 869-1300
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
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JUNE 1982

Merchandising

FOR OVER 56,000 RETAILERS & WHOLESALERS
VOL. 7, No. 6

75th ANNIVERSARY

75th Merchandising

Vendors Rip the Wraps Off Product Surprises at CES

COMPONENT VIDEO, CAR STEREO HOME COMPUTERS STEAL SHOW

Raise money at low rates for your store

Retailers struggle to keep up with new videogame products

Our quiz asks: 'What Is Your Security IQ?'

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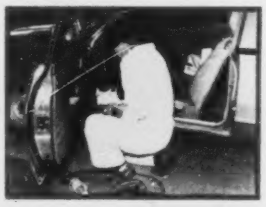

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Merchandising's TOP 50

		Last month's position	Months on chart
1.	**Clash of the Titans** *(MGM/CBS Home Video)*	2	3
2.	**Apocalypse Now** *(Paramount Home Video)*	6	5
3.	**Stir Crazy** *(Columbia Pictures Home Entertainment)*	8	7
4.	**An American Werewolf in London** *(MCA Videocassette)*	1	5
5.	**Paternity** *(Paramount Home Video)* **I**	5	3
6.	**Atlantic City** *(Paramount Home Video)*	—	1
7.	**Mommie Dearest** *(Paramount Home Video)* **I**	3	3
8.	**The Howling** *(20th Century-Fox Video)*	15	2
9.	**The Cannonball Run** *(Vestron Video)* **I**	43	2
10.	**Fort Apache—The Bronx** *(Vestron Video)* **I**	22	2
11.	**Only When I Laugh** *(Columbia Pictures Home Entertainment)*	42	2
12.	**The Jazz Singer** *(Paramount Home Video)* **I**	7	7
13.	**The Four Seasons** *(Paramount Home Video)* **GI**	9	4
14.	**The French Lieutenant's Woman** *(Columbia Pictures Home Entertainment)*	—	1
15.	**Continental Divide** *(MCA Videocassette)*	4	2
16.	**Stripes** *(Columbia Pictures Home Entertainment)*	—	1
17.	**Scanners** *(20th Century-Fox Video)*	10	2
18.	**9 to 5** *(20th Century-Fox Video)* **PI**	16	14
19.	**Airplane** *(Paramount Home Video)* **I**	14	16
20.	**Kramer vs. Kramer** *(Columbia Pictures Home Entertainment)* **GI**	12	6
21.	**Caddyshack** *(Warner Home Video)* **GI**	18	15
22.	**Ordinary People** *(Paramount Home Video)* **PI**	29	11
23.	**The Texas Chainsaw Massacre** *(Wizard Video)* **I**	27	2
24.	**Somewhere in Time** *(Warner Home Video)* **I**	50	8
25.	**Halloween II** *(MCA Videocassette)*	—	1
26.	**M*A*S*H** *(20th Century-Fox Video)* **PI**	36	44
27.	**Animal House** *(MCA Videocassette)* **GI**	23	20
28.	**Superman** *(Warner Home Video)* **I**	13	28
29.	**Endless Love** *(MCA Videocassette)*	26	7
30.	**Emmanuelle** *(Columbia Pictures Home Entertainment)* **I**	—	24
31.	**. . . And Justice for All** *(Columbia Pictures Home Entertainment)* **I**	32	7
32.	**Dressed to Kill** *(Warner Home Video)*	—	4
33.	**Casablanca** *(20th Century-Fox Video)* **I**	40	8
34.	**Alien** *(20th Century-Fox Video)* **PI**	41	23
35.	**Tess** *(Columbia Pictures Home Entertainment)* **I**	19	8
36.	**The Blue Lagoon** *(Columbia Pictures Home Entertainment)* **I**	17	7
37.	**The Sound of Music** *(20th Century-Fox Video)* **GI**	—	29
38.	**The Black Hole** *(Walt Disney Home Video)* **GI**	—	9
39.	**Coal Miner's Daughter** *(MCA Videocassette)* **GI**	39	20
40.	**The Blues Brothers** *(MCA Videocassette)* **GI**	20	18
41.	**Friday the 13th** *(Paramount Home Video)* **I**	30	14
42.	**Star Trek—The Motion Picture** *(Paramount Home Video)* **I**	33	18
43.	**Halloween** *(Media Home Entertainment)* **I**	—	22
44.	**The Muppet Movie** *(20th Century-Fox Video)* **PI**	25	24
45.	**Night Hawks** *(MCA Videocassette)* **GI**	11	8
46.	**Enter The Dragon** *(Warner Home Video)* **GI**	35	26
47.	**Black Stallion** *(20th Century-Fox Video)* **ZI**	34	10
48.	**Patton** *(20th Century-Fox Video)* **GI**	—	35
49.	**Raging Bull** *(20th Century-Fox Video)* **I**	28	8
50.	**The Competition** *(Columbia Pictures Home Entertainment)*	38	6

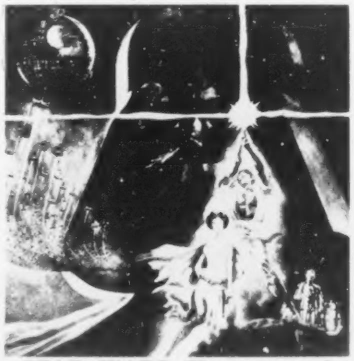
G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/VIDEO)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/VIDEO)

I—Golden Videocassette award—has audited return sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

tion), this film stars Henry Fonda and Katharine Hepburn as an aging couple spending their 48th summer together on Golden Pond. As Fonda studies the passage of time with anger, a conflict develops between the three visiting generations: father, daughter (Jane Fonda) and her lover's young son. *Color 109 minutes PG 20th Century-Fox Video. C: $79.95.*

RETURN OF THE DRAGON Bruce Lee stars and directs this movie about a young boy who travels to Rome to help a friend whose Chinese restaurant is being terrorized by a local gang. Also stars Chuck Norris and Nora Migo. *Color 91 minutes R 20th Century-Fox Video C: $59.95.*



STAR WARS The spectacular George Lucas science fantasy, romantic adventure that stars Carrie Fisher as Princess Leia and Mark Hamill as Luke Skywalker along with the ever popular robot team of R2-D2 and C3PO. Also stars Harrison Ford, Alec Guiness, Anthony Daniels, Peter Mayhew and David Prowse. *Color 121 minutes PG 20th Century-Fox Video Stereo Lease/rental (June, July and August).*

Vestron Video

THE CHANGELING George C. Scott, Trish Van DeVere and Melvyn Douglas star in this supernatural mystery complete with a haunted house, seances and nocturnal gravediggings. *Color 113 minutes R Vestron Video.*

LA GRANDE BOURGEOISE Catherine Deneuve portrays a liberal women in 1897 who is being suffocated in her marriage to a conservative doctor. When her brother plots her husband's death, he exposes the hidden lust of the society. *Color 115 minutes R Vestron Video.*

PICNIC AT HANGING ROCK A sinister tale depicting the story of four girls who disappear on a picnic on St. Valentine's Day in 1900. *Color 110 minutes PG Vestron Video.*

ROSA MADAME Simone Signoret portrays Madame Rosa, a survivor of both the Nazi concentration camps and a life of prostitution. It won the best foreign film award. *Color 105 minutes PG Vestron Video.*

TRIBUTE Stars Jack Lemmon as Scottie, a dying Broadway publicist who is determined to reconcile with his son, played by Robby Benson. *Color 125 minutes PG Vestron Video.*

VidAmerica

HUMAN EXPERIMENTS The young female inmates at the Gates Prison For Women are the victims of the experiments being conducted by the mad Dr. Kline. Linda Haynes won the Best Actress honor from the International Film Festival of Science Fiction and Horror for her portrayal of Rachel Foster, who is forced to observe the bizarre events at the prison. *Color VidAmerica C: $59.95.*

UNDER CAPRICORN (1949) Alfred Hitchcock thriller starring Ingrid Bergman and Joseph Cotton. This tale of love, violence and vengeance features Cotton as a former stable groom who arrives in Australia after serving time for murdering his wife's brother. When he suspects his wife is involved with a houseguest, the situation explodes. *Color 117 minutes VidAmerica C: $59.95.*

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313 dealers average 27 percent margins on microwaves sold; rep 5,248 stores

By Nancy Markov, managing editor

NEW YORK—The average profit margin on a microwave oven is 27 percent, according to the retailers surveyed for *Merchandising's* latest Retail Opinion File.

These dealers, who own or operate 5,248 stores, said they would sell a microwave oven costing $200 for an average of $274, a markup of 37 percent.

The question is, however, whether they will be able to maintain this performance level throughout 1982. The majority of respondents complained about increasing price competition in this category. They also said that as the household penetration of microwaves has risen, over-the-counter activity has slowed.

Consequently, for a lot of dealers, microwaves are no longer barreling out the doors. Many anticipate an average 10.5 percent rise in microwave volume for 1982, a figure considerably less than that realized in previous seasons.

Still, most remain intent on grabbing what share of the business they can. Planned strategies include offering broader assortments and expanding the number of cooking schools and in-store demonstrations.

The average number of brands carried, said respondents, is 2.6, with an average 4.5 models stocked per brand. But some retailers are finding that having an even broader assortment is necessary to cover all price bases and to better meet each customer's needs. As a result, many plan to expand the number of models, brands or both.

Customers want features

Today's microwave customer, they said, wants features. Of the ovens sold, dealers reported that 45 percent of them sported auto-cook, 61.4 percent have a temperature probe, 38.8 percent offer three-stage memory and 65 percent have auto defrost.

The bulk of the business (70.5 percent) is rung between $300 and $499 with over half (57.2 percent) of the ovens sold reportedly sporting electronic touch controls.

Prices have come down steadily on electronically controlled ovens as manufacturers continue to improve technology. So this part of the market has shown significant growth.

Nevertheless, while this may mean a higher ticket price—the average best-selling price topped the $400 mark at $420—dealers said their profit is essentially the same whether they sell an inexpensive model or a high-end oven.

Alternate types of microwave ovens are inching ahead in their total

(Continued on next page)

What was your (average) store's total sales ($) for microwave ovens in 1981?
(Based on 258 replies)

	Number of replies	Percent of response
Under $10,000	54	20.9%
$10,000 to $24,999	74	28.7
$25,000 to $99,999	75	29.1
$100,000 to $499,999	45	17.4
$500,000 and over	10	3.9
Total	258	100.0%

Average 1981 microwave oven sales per store: mean—$81,042; median—$25,000

Expected change in 1982 versus 1981: + 10.5%

What portion (%) of your microwave ovens did convection/microwave combinations account for in 1981? What portion (%) will they account for in 1982?
(Based on 255 replies)

	Expected 1982	Actual 1981
0%	35.7%	40.4%
Under 10%	36.8	42.4
10 to 19%	16.1	8.6
20 to 59%	10.2	7.4
60% and over	1.2	1.2
	100.0%	100.0%

Expected average for 1982: 7.1%
Average for 1981: 5.0%

What portion (%) of your microwave ovens did space-saving, above-the-range units account for in 1981? What portion (%) will they account for in 1982?
(Based on 266 replies)

	Expected 1982	Actual 1981
0%	15.0%	27.8%
Under 10%	32.7	28.6
10 to 19%	22.2	19.2
20 to 39%	19.6	13.9
40 to 59%	7.1	7.5
60% and over	3.4	3.0
	100.0%	100.0%

Expected average for 1982: 14.2%
Average for 1981: 12.1%

How many different brands of countertop microwave ovens do you carry?
(Based on 302 replies)

	Number of replies	Percent of response
1 brand only	76	25.2%
2 brands	111	36.8
3 brands	50	16.5
4 brands	33	10.9
5 brands	15	5.0
6 brands	10	3.3
7 or more brands	7	2.3
Total	302	100.0%

Average per respondent: 2.6 brands

How many different models do you carry per brand?
(Based on 302 replies)

	Number of replies	Percent of response
1 to 2 models	32	10.6%
3 to 4 models	146	48.3
5 to 6 models	95	31.5
7 to 10 models	23	7.6
More than 10 models	6	2.0
Total	302	100.0%

Average per respondent: 4.5 models

What is your best selling price for a countertop microwave oven?
(Based on 298 replies)

	Number of replies	Percent of response
Under $300	29	9.7%
$300 to $399	109	36.6
$400 to $499	101	33.9
$500 to $599	41	13.8
$600 or more	18	6.0
Total	298	100.0%

Average best selling price: $420

If you were to pay $200 for a microwave oven (inventory) how much would you sell it for in your store?
(Based on 305 replies)

	Number of replies	Percent of response
$225 to $249	42	13.8%
$250 to $274	138	45.2
$275 to $299	91	29.8
$300 to $324	20	6.6
$325 or more	14	4.6
Total	305	100.0%

Average selling price: $274

Characteristics of the sample

Type of responding company:

	Number of replies	Percent of response
Household Appliance store	248	79.2%
Radio/TV store	31	9.9
Department stores, Discount stores, Catalog Showroom	20	6.4
Housewares, Hardware and Home Improvement stores	6	1.9
Home Furnishing stores and Furniture stores	4	1.3
Auto Supply stores	4	1.3
Total	313	100.0%

Single-unit versus multi-unit companies:

	Number of replies	Percent of response
Single-unit company	227	72.5%
Multi-unit company	86	27.5
	313	100.0%

Total stores in sample*: 5,248

*Includes a 1,500-store company, a 1,200-store company, a 900-store company, and a 850-store company

(Continued from preceding page)

representation of units sold. Convection/microwave combinations will account for an average 7.1 percent of inventories this year, compared to five percent in 1981.

Noted one Florida-based dealer, "Older customers are learning about convection cooking and liking it. So we approach the microwave sale from this standpoint. The word microwave sometimes frightens them."

One midwestern dealer reported, "We are promoting microwave/convection combinations because there is little competition in this area so far."

Over-the-range units, however, which more than a couple of suppliers have pegged as the fastest growing classification in microwaves this year, will increase their share of sales volume only slightly more than two percent—from 12.1 percent in 1981 to 14.2 percent this year.

Nevertheless, for an occasional merchant, at least, these units could represent big business. Said one West Coast dealer, "The profit has been so bad on countertop units that we will probably cut them out this year and sell only over-the-range models and eye-level ranges with microwaves."

For other merchants, trade-ins are expected to generate the volume. One Mississippi-based appliance store is already in this business. The owner reported he has a waiting list of customers anxious to purchase used ovens retailing from $100 to $150.

A New Hampshire merchant is considering running a trade-in sale. So is a New Mexico-based retailer. "We will probably start offering trade-in deals on microwaves since no one else in town is doing this yet," he noted.

Some merchants reported that they will boost promotions and advertising efforts in microwaves this year. In fact, one retailer has increased his ad budget by 15 percent.

The planned strategy for one Illinois-based department store will be to run heavy promotions of ovens in the $199 to $399 price range, stage floor demos during peak selling hours and offer both basic and advanced cooking schools.

On the other hand, the slowdown of sales has discouraged a lot of retailers, some to the point of dropping the category completely.

Noted one appliance store operator from California, "Microwave sales are extremely slow. We did a lot of advertising last year with no results. This year we are backing off to just standard Mother's Day and Christmas promotions."

Said an appliance dealer from Arkansas, "We're even competing with the local grocery store which is selling microwaves for $199. We're just getting out of this business."

Cooking classes build sales

Right now, 59.1 percent of the respondents said they offer cooking classes. Of those invited to attend free of charge, 42.3 percent of the audience is restricted to those buying the oven from the store; in 57.5 percent of the surveyed stores, everyone is welcome.

Twenty percent of the merchants noted that classes are offered once a month. An additional 4.8 percent run them once every two months while 17 percent offer them four times a year.

In 17.6 percent of the stores, however, they are run only twice a year. But stepping up the frequency of both in-store demonstrations and cooking classes was one strategy mentioned by several merchants as an attempt to beef up traffic and add-on sales.

The majority of retailers said they stock at least some accessories. Cookware is carried by 88.6 percent. Almost as many—87.6 percent—stock oven carts and 76.6 percent offer cookbooks.

Popcorn poppers are a popular item on retail shelves. Almost three quarters of the stores—73.5 percent—stock these. Steak grills are offered by 46.7 percent of the survey's respondents.

STATISTICAL MATTER for this survey was collected and compiled by Selma Book, market research manager, and Roberta Janasz, research associate.

Price still motivates the appliance customer

(Continued from page 84)

to do all the shopping he needs to do in your store, he explained.

But naturally, added Clements, price will always be a consideration when the customer walks in the door. "Because interest rates remain so high, consumers watch what they buy. They won't finance unless they have to."

"Many people come into a store with the intention of buying the lowest price on the floor." Even so, he pointed out, "the salesperson can often trade the consumer up if he can be made to see the features and benefits in the next model."

By the same token, Clements continued, a dealer will buy if he can be shown a way to retail the merchandise. Manufacturers need to sell a total package today. "The job is just half over when you take the order, you have to get it sold."

"Retailers are often too busy to sit down and worry about things like writing advertising scripts themselves. The more you can help them, the better they like it," he concluded.

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—Jack and Barbara Nicklaus

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JULY 1982

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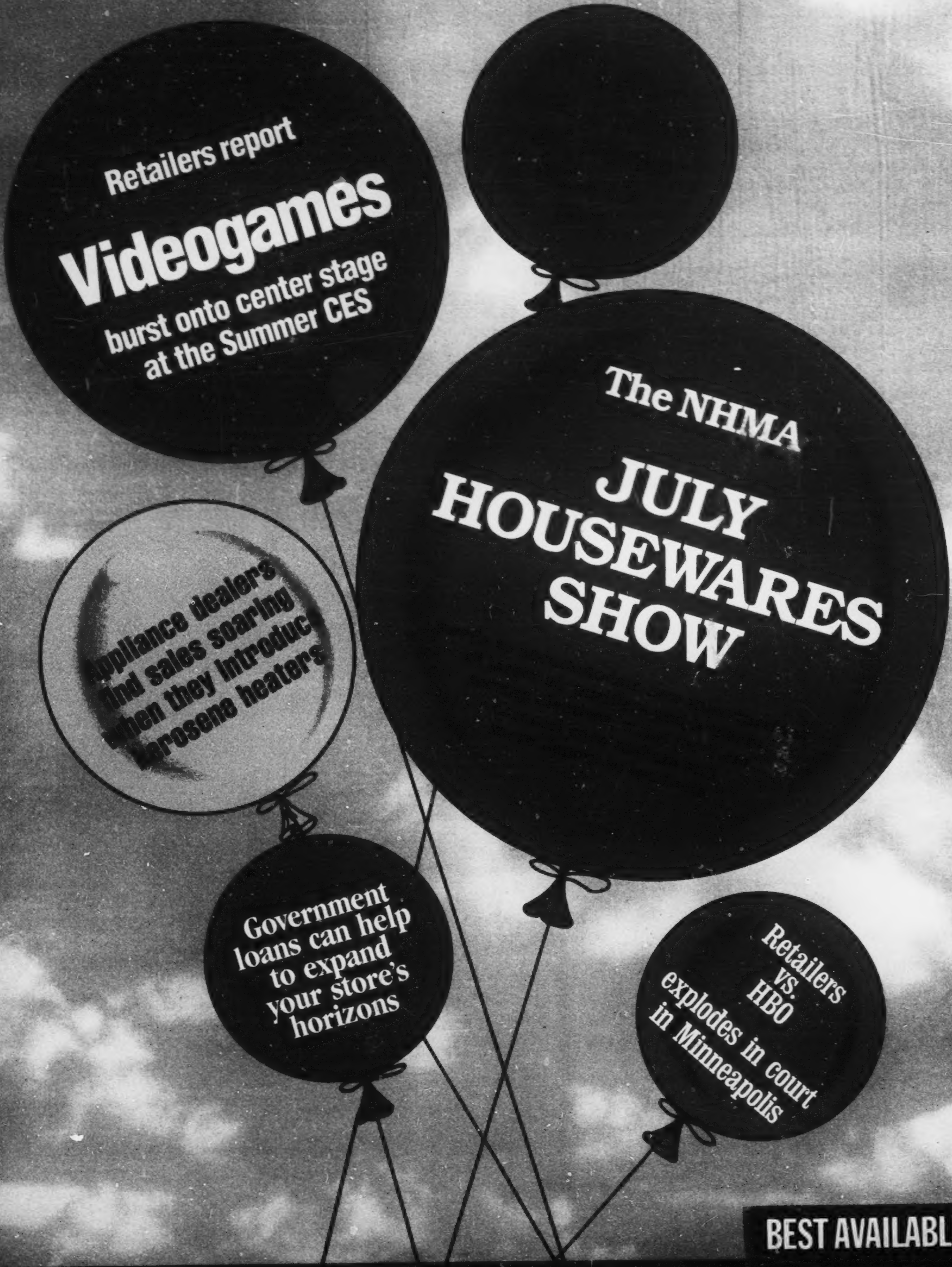

Retailers report
Videogames
burst onto center stage
at the Summer CES

The NHMA
JULY HOUSEWARES SHOW

Appliance dealers
find sales soaring
when they introduce
kerosene heaters

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loans can help
to expand
your store's
horizons

Retailers
vs.
HBO
explodes in court
in Minneapolis

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1515 Broadway, NY 10036
Susan Matthews (212) 869-1300
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Robert Sarra, II (312) 463-1102
West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Jane Morrison (213) 788-0271

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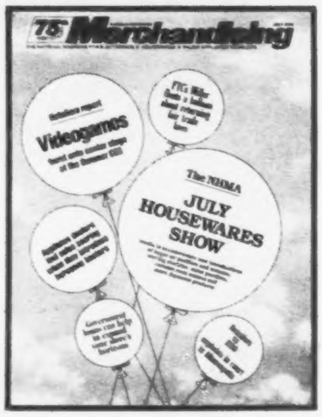
JULY 1982

Merchandising

FOR OVER 56,000 RETAILERS & WHOLESALERS
VOL. 7, No. 7

75th ANNIVERSARY



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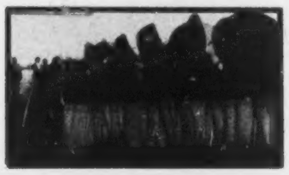

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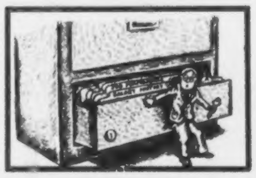

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Merchandising's TOP 50

		Last month's position	Months on chart
1.	**Stripes** *(Columbia Pictures Home Entertainment)*	16	2
2.	**Clash of the Titans** *(MGM/UA Home Video)*	1	4
3.	**The French Lieutenant's Woman** *(Columbia Pictures Home Entertainment)*	14	2
4.	**An American Werewolf in London** *(MCA Videocassette)*	4	6
5.	**Airplane** *(Paramount Home Video)* I	19	17
6.	**The Howling** *(20th Century-Fox Video)*	8	3
7.	**Stir Crazy** *(Columbia Pictures Home Entertainment)*	3	8
8.	**The Four Seasons** *(Paramount Home Video)* GI	13	5
9.	**Caddyshack** *(Warner Home Video)* GI	21	16
10.	**Halloween II** *(MCA Videocassette)*	25	2
11.	**Atlantic City** *(Paramount Home Video)*	6	2
12.	**Only When I Laugh** *(Columbia Pictures Home Entertainment)*	11	3
13.	**Fort Apache—The Bronx** *(Vestron Video)* I	10	3
14.	**9 to 5** *(20th Century-Fox Video)* PI	18	15
15.	**Scanners** *(20th Century-Fox Video)*	17	3
16.	**The Cannonball Run** *(Vestron Video)* I	9	3
17.	**Mommie Dearest** *(Paramount Home Video)* I	7	4
18.	**Paternity** *(Paramount Home Video)* I	5	4
19.	**Animal House** *(MCA Videocassette)* GI	27	21
20.	**The Jazz Singer** *(Paramount Home Video)* I	12	8
21.	**Apocalypse Now** *(Paramount Home Video)*	2	6
22.	**Texas Chainsaw Massacre** *(Wizard Video)*	23	3
23.	**On Golden Pond** *(20th Century-Fox Video)* I	—	1
24.	**Continental Divide** *(MCA Videocassette)*	15	3
25.	**Friday the 13th** *(Paramount Home Video)* I	41	15
26.	**Superman** *(Warner Home Video)* I	28	29
27.	**The Blues Brothers** *(MCA Videocassette)* GI	40	19
28.	**M*A*S*H** *(20th Century-Fox Video)* PI	26	45
29.	**Busting Loose** *(MCA Videocassette)*	—	7
30.	**Kramer vs. Kramer** *(Columbia Pictures Home Entertainment)* GI	20	7
31.	**Alien** *(20th Century-Fox Video)* PI	34	24
32.	**Superman II** *(Warner Home Video)*	—	1
33.	**Emmanuelle** *(Columbia Pictures Home Entertainment)* I	30	25
34.	**Ordinary People** *(Paramount Home Video)* PI	22	12
35.	**Endless Love** *(MCA Videocassette)*	29	8
36.	**Halloween** *(Media Home Entertainment)* I	43	23
37.	**Night Hawks** *(MCA Videocassette)* GI	45	9
38.	**Black Stallion** *(20th Century-Fox Video)* GI	47	11
39.	**"10"** *(Warner Home Video)* PI	—	24
40.	**The Blue Lagoon** *(Columbia Pictures Home Entertainment)* I	36	8
41.	**Raging Bull** *(20th Century-Fox Video)* I	49	9
42.	**Star Trek—The Motion Picture** *(Paramount Home Video)* I	42	19
43.	**The Muppet Movie** *(20th Century-Fox Video)* PI	44	25
44.	**Young Frankenstein** *(20th Century-Fox Video)* I	—	9
45.	**Somewhere in Time** *(Warner Home Video)* I	24	9
46.	**Tess** *(Columbia Pictures Home Entertainment)* I	35	9
47.	**Fame** *(MGM/UA Home Video)* I	—	14
48.	**Urban Cowboy** *(Paramount Home Video)* I	—	14
49.	**Close Encounters of the Third Kind** *(Columbia Pictures Home Entertainment)* GI	—	15
50.	**Casablanca** *(20th Century-Fox Video)* I	33	9

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/VIDEO)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/VIDEO)

I— Golden Videocassette award—has audited return sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

Media

ALADDIN AND THE WONDERFUL LAMP A Japanese animated production of the classic children's story. *Color 65 minutes Media Home Entertainment C: $49.95.*

CONFESSIONS OF A YOUNG AMERICAN HOUSEWIFE (1978) A recent divorcee moves in with two younger couples and experiences sexual liberation. *Color 85 minutes R Media Home Entertainment C: $54.95.*

THE DEADLY AND THE BEAUTIFUL (1974) A beautiful female mobster-type has her task force kidnap the world's top male athletes for use in her transplant-to-immortality business. *Color PG 82 minutes Media Home Entertainment C: $49.95.*

DON'T GO IN THE HOUSE (1980) A young man takes revenge for his tormented childhood by luring beautiful women into his house. Stars Dan Grimaldi, Robert Osth and Ruth Dardick. *Color 90 minutes Media Home Entertainment C: $54.95.*

GO FOR IT (1976) Documentary shot on location in the Hawaiian Islands, Japan, France, Australia, Canada and the U.S. examines and illustrates the motivation and limits of surfers, skiers, hang gliders and mountain climbers. *Color PG 90 minutes Media Home Entertainment C: $49.95.*

GRIZZLY (1976) Rocket launchers and high velocity rifles cannot stop this 18-ft. 2,000-lb. carnivorous beast when it goes on a killing spree. Stars Christopher George and Andrew Prine. *Color 92 minutes Media Home Entertainment C: $54.95.*

THE HEARSE (1980) A supernatural power guides the wheel of a terrifying black hearse that haunts and threatens the life of a vacationing schoolteacher. *Color PG 97 minutes Media Home Entertainment C: $54.95.*

JOHNNY GOT HIS GUN (1971) An anti-war story about a World War I amputee stars Timothy Bottoms, Tony Geary, Jason Robards, Donald Sutherland and David Soul. Written and directed by Dalton Trumbo. *Color 111 minutes Media Home Entertainment C: $54.95.*

RIDE IN THE WHIRLWIND (1973) Jack Nicholson, Millie Perkins and Cameron Mitchell portray three innocent cowboys who become gunfighters when they are suspected of robbing a stagecoach. *Color 82 minutes Media Home Entertainment C: $39.95.*

SEXTETTE (1978) Sex symbol, Mae West, portrays a women whose sixth wedding is complicated by her ex-husbands. Also stars Ringo Starr, George Hamilton and Dom DeLuise. *Color 91 minutes Media Home Entertainment C: $54.95.*

THE SHOOTING (1973) Jack Nicholson stars as a violent, sadistic and merciless gunfighter who is pursued across the desert. Also stars Millie Perkins and Warren Oates. *Color 82 minutes Media Home Entertainment C: $39.95.*

SILENT SCREAM (1980) When a college co-ed moves into an eerie house, she becomes the witness to terror and death. Stars Rebecca Balding, Cameron Mitchell, Avery Schreiber and Yvonne De Carlo. *Color 87 minutes Media Home Entertainment C: $54.95.*

SUDDEN DEATH (1977) Robert Conrad and Felton Perry portray two soldiers who go on a rampage of revenge. *Color 84 minutes Media Home Entertainment C: $49.95.*

SWAN LAKE This animated production, about the young prince who falls in love with a swan, turning her into a princess, was made in Japan by the Toei Company of Tokyo. *Color 75 minutes Media Home Entertainment C: $49.95.*

MGM/UA

BUDDY BUDDY (1981) A Billy Wilder comedy starring Jack Lemmon and Walter Matthau combines murder and mayhem. *Color 98 minutes R MGM/UA Home Video C: $79.95 CED: $24.95.*

CANNERY ROW Nick Nolte and Debra Winger star in this story about life on the other side of the tracks. *Color 120 minutes PG MGM/UA Home Video C: $79.95. CED: $24.95.*

THE FIRST BARRY MANILOW SPECIAL In this Emmy-winning performance from his 1977 television special, Manilow sings such hit songs as Mandy and Could It Be Magic. *Color 52 minutes MGM/UA Home Video C: $59.95 CED: $24.95.*

RICH AND FAMOUS (1981) This story follows the friendship, loyalty and rivalry of two women, played by Jacqueline Bisset and Candice Bergen. *Color 117 minutes R MGM/UA Home Video C: $79.95 CED: $24.95.*

A STRANGER IS WATCHING A terrifying horror tale in which Rip Torn portrays a psychopathic kidnapper. *Color 92 minutes R MGM/UA Home Video C: $79.95 CED: $24.95.*

TARZAN, THE APE MAN A glance at the secret side of Tarzan. Stars Bo Derek. Contains nudity. *Color 112 minutes R Stereo MGM/UA Home Video C: $79.95 CED: $24.95.*

TOM AND JERRY II A festival of cartoons contains eight episodes featuring this cat and mouse duo. *Color 58 minutes MGM/UA Home Video C: $39.95 CED: $24.95.*

TRUE CONFESSIONS (1981) Robert Duvall and Robert DeNiro portray two brothers—a police detective and a priest—caught up in a tangled web of murders. *Color 107 minutes R MGM/UA Home Video C: $79.95 CED: $24.95.*

CES Video Products begin on page 62

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AUGUST 1982

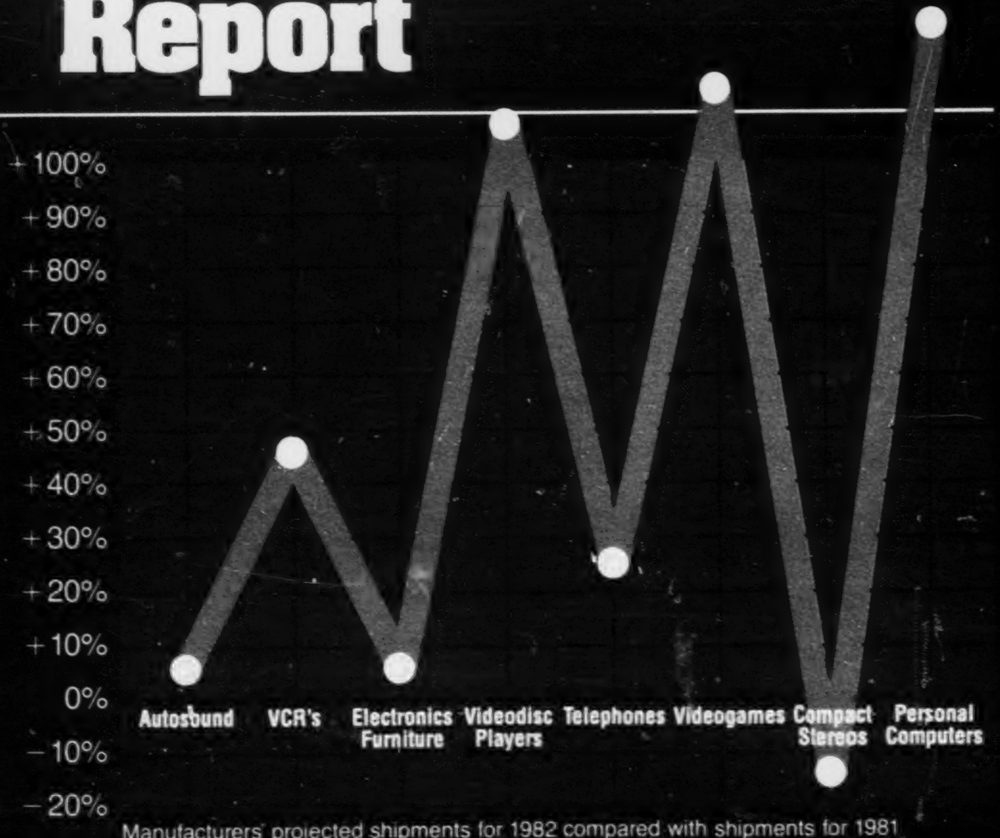
Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

C4200-1 9/13/82

8th Annual Electronics Statistical & Marketing Report

Tracking the health of consumer electronics shipments for 1982, Merchandising pinpoints what's hot & what's not



Manufacturers' projected shipments for 1982 compared with shipments for 1981

Coast-to-coast crew of Mystery Shoppers uncovers the good and the not-so-good sides of your sales force

MYSTERY SHOPPER

Also in this issue:

- Price deals abound at the Summer Housewares Show
- Need money? It may be as close as your own home
- Audio retailers consider a Winter CES boycott
- Kerosene heaters step into the Hardware Show spotlight
- Merchandising introduces: New Releases in Videogame Software
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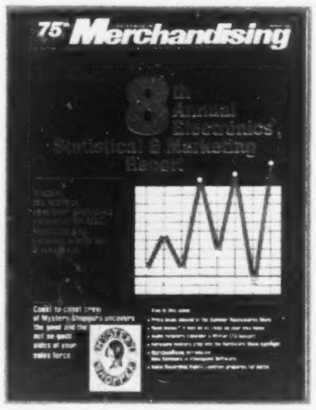
75th Merchandising
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Coast-to-coast crew of Mystery Shoppers uncovers the good and the not-so-good sides of your sales force

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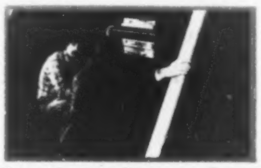

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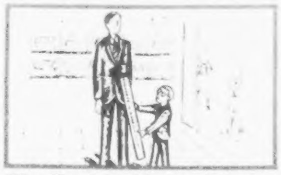

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EIGHTH ANNUAL ELECTRONICS STATISTICS & MARKETING REPORT

Few Consumer Electronics Products Are Expected To Live Up To Past Rates Of Growth

Consumer electronics products appear to be arranging themselves into two camps this year—those with the youth or the strength to power themselves through the deepest recession since World War II and those that are either too old or just too tired to buck the economic trends that signal little if any growth for 1982.

In this Eighth Annual Electronics Statistical & Marketing Report, *Merchandising* turns to the manufacturers and polls them on their outlook for the year as a whole. How is it all going to turn out after that crucial fourth quarter is over? That's the information we seek each July.

As the magazine went to press, economists were beginning to hedge their projections for a late-summer end to the recession. And the manufacturers themselves appeared to be exercising caution as well. Few products were expected to register the rates of growth that the industry has become accustomed to in the past.

By and large, those products that will do well this year are ones that have been introduced recently and have managed to generate a spark of interest among jaded consumers who do not have the disposable income to try every new toy that comes along.

Videogames and home computers are among the most obvious winners. The new generation of video gear, electronics furniture and portable tape products are also doing well. Those hurting include most other audio products, black and white TV's and non-video electronic games.

A category-by-category look to compare projected growth for 1982 with reported growth for 1981 shows:

VIDEO: Color TV's are predicted to make a miniscule gain of 0.8 percent this year compared with a growth rate of 3.7 percent last year. Black and white TV shipments are expected to be off 3.3 percent compared with a 6.2 percent decline the previous year. Projection TV's should register 16.5 percent growth compared with a growth rate of almost 42 percent in 1981. VCR shipments should be up 49.8 percent compared with a 65 percent rate of growth the previous year. And video camera shipments are expected to jump 77.4 percent this year, up from 62 percent the year before. Videodisc players, expected to register a 108.1 percent growth in shipments this year, were not tracked last year.

ELECTRONICS FURNITURE: This category is being tracked for the first time this year, so no comparisons with previous years are possible.

PERSONAL ELECTRONICS: Videogames, the manufacturers report, should blast in with a 115.5 percent jump in shipments this year compared with an increase of just under 43 percent the previous year. Personal computers are expected to register 127.8 percent growth compared with 60.9 percent in 1981. Electronic games, it is predicted, will drop 17.8 percent compared with a 16 percent decline the year before. Phones, another winner, are expected to post a 28.6 percent rate of growth for 1982 compared with 19.4 percent for 1981. Phone answerers should grow 23.1 percent compared with 20.4 percent the year before. Calculators should register a small rate of growth, 4.4 percent, compared with 6.6 percent in 1981. Digital watches, it is predicted, will grow by 3.3 percent compared with 11.5 percent the year before. Finally, radar detectors should register a significant 12.2 percent growth rate compared with an 11.6 percent jump in shipments between 1980 and 1981.

AUDIO: Audio components are projected to register a 3.2 percent drop in shipments for 1982. This compares with a dip of 2.7 percent the year before. Console stereo, which showed a 4.2 percent decline in 1981, does not show up in the statistics at all this year with manufacturers reporting figures so low as to defy accurate tracking. Compact systems also suffered. Shipments are expected to drop 16.8 percent for 1982 compared with a 9.3 percent dip for 1981. Autosound, on the other hand, should show a 7.3 percent jump in shipments for 1982. This compares with a 4.8 percent rate of growth from 1980 to 1981. Overall, radios should slip 2.3 percent this year compared with a 3.2 percent increase for the previous year. Finally, portable tape units (not including personal portables, which proved too elusive to track) should turn in an overall 6.1 percent dip in sales this year compared with an 18.7 percent increase the year before. It must be noted, however, that this figure does not illustrate the explosive "boombox" category. On its own, this product is expected to register a growth in shipments of 24.6 percent this year. This follows 29.1 percent growth from 1980 to 1981.

SOFTWARE: In this category, blank audiotape is projected to register a five percent rate of growth by the time 1982 is tallied. This compares with a 0.7 per cent increase in the previous year. Blank videotape should fare better. An overall rate of growth of 43.3 percent is predicted for 1982. However, this compares with a 74.4 percent growth rate the year before. Prerecorded videocassettes should grow by 35.1 percent in 1982 compared with a growth rate of 64 percent from 1980 to 1981.

All in all, the health of the consumer electronics products tracked in this survey is uneven. There are some big winners and an almost even number of major losers.

Merchandising will take a final look back at full-year 1982 in the March 1983 issue. A year from now, projections will be made for 1983. By then, it is hoped, a full-scale recovery will have turned some of these figures around—and even the strong products will be stronger.

—Lee Rath
editor

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STATISTICAL MATTER for this survey was collected and compiled by **Selma Book**, market research manager, and **Roberta Janasz**, research associate.

Design: THUMBNAIL GROUP

Video Products Should Show Growth As New Products, Styles Attract Consumers

Despite the poor economic conditions that are plaguing most businesses this year, the video industry, overall, is expected to continue to grow. Fortunately, the demand for home entertainment products—particularly video—has not slackened greatly during these "hard times."

With the emergence of new and higher technological products, retailers are reporting that the demand for good color television is very strong. Apparently, it's hard for a consumer to imagine connecting a videocassette recorder, a videodisc, a videogame or a home computer to a small-screen or outdated television.

This philosophy has also created a noticeable change in cabinet styling demands. The sets with more modern cabinetry will see the most increase this year, proving that the high-tech look is where the action is.

And ready to fall right into step are the component television monitors, the center and catch-all unit for all peripheral products. These high-tech units are expected to be a big business soon now that almost every manufacturer is getting involved. However, because these component systems were not widely available in the first half, we did not track them.

The 19-in. screen size remains the most popular, especially with the younger consumer. With high interest rates and the limited availability of houses in many parts of the country, the young customers, often apartment dwellers, have turned to the 19-in. set since it provides a good sized picture yet does not take up a tremendous amount of floor space.

Cable TV Helps

The advent and rapid growth of cable television has made its impact on the color television business as well. A large portion of 19- and 25-in. sets, as well as some smaller models, are cable compatible and offer the consumer easy access to the wide assortment of programming that is now available in many areas.

Remote control sales are booming too, and cable is largely responsible. In many areas, the cable-compatible set and remote eliminate the need for the cable box, which many consumers find unattractive. And now that remotes have more features, are lightweight and less expensive, it has been easy for retailers to upgrade their TV customers to a remote-controlled set.

Cable has also affected the makeup of the newer videocassette recorders. Many of the upcoming introductions and a number of older models are cable compatible and can be used to record programming off of the cable stations.

Now that there are more options for the television viewer, VCR's can play an even bigger role in his life. Previously, it was easy to choose between two TV shows, knowing that both would be repeated later in the year. Now, the advent of cable cultural, sports and other types of programming has made it more difficult to choose.

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VCR shipments will probably fall just short of the two million mark this year, with the majority of business falling in the high- and low-end categories. Either the customer wants all of the features, or he just wants a unit that will record a few programs off the air. The mid-priced models are not moving as well, forcing significant discounting at the retail level.

Projection television sales will fall below what was first predicted, due mainly to high interest rates. To many consumers, it makes more sense to buy two or three products with $3,000 than one projection television. In addition, space limitations in many apartments and small homes prevent the use of these sets.

Videodiscs Show Growth

Videodisc players are projected to increase the most this year, which should come as no surprise. After all, the product is very young, still quite immature, and can do little but increase in sales.

Since the average American spends less time at home than ever before, a large market has been created for portable video products. All of them—VCR's, cameras and small-screen televisions—have increased significantly.

Because the product is so young, publishable statistics were not received on portable VCR's, but some sources indicated that they will comprise roughly 30 percent of all VCR sales this year.

Interest in color cameras continues to grow with the high-end units selling very well. As cameras continue to become lighter in weight, offer more features and lower prices, sales will rise even more.

It is interesting to note that hardware sales are split mainly between the video specialty store and the TV/appliance outlet. It seems that more consumers are buying their televisions in the TV/appliance store, while the more complicated equipment, such as VCR's and projection televisions, is being bought in the video store.

Obviously, most consumers feel they will receive more technical advice and information as well as service guarantees in the specialty outlet.

—Pamela Golden
senior associate editor

**COLOR TV
TOTAL FACTORY SHIPMENTS**

	1982	1981	% of Change
Color TV, total	11,357,000	11,262,000	+ 0.8
Portable & Table	8,893,000	8,788,000	+ 1.2
Console & Combo	2,464,000	2,474,000	− 0.4

**COLOR TV
SALES BY TYPE OF OUTLET**

	1982	1981
Appliance/TV Store	47%	47%
Catalog Showroom	2%	2%
Catalog Store (Sears, Penneys, etc.)	14%	15%
Department Store	14%	14%
Discount Store	10%	11%
Furniture Store	6%	6%
Video Specialty Store	4%	3%
Other	3%	2%

**COLOR TV
PERCENT SHIPPED CABLE-READY**

1982	1981
52.2%	42.7%

**COLOR TV
SALES BY SCREEN SIZE**

	1982	1981	% of Change
9 in. & under	493,000	472,000	+ 4.5
12 & 13 in.	1,776,000	1,790,000	− 0.8
14 & 15 in.	273,000	296,000	− 7.8
16 & 17 in.	344,000	370,000	− 7.0
18 & 19 in.	5,649,000	5,538,000	+ 2.0
21 in.	155,000	176,000	− 11.9
23 in., total	224,000	253,000	− 11.5
Console & Combo	187,000	215,000	− 13.0
Table	37,000	38,000	− 2.6
25 in., total	2,443,000	2,367,000	+ 3.2
Console & Combo	2,298,000	2,264,000	+ 1.5
Table	145,000	103,000	+ 40.8

**COLOR TV
PERCENT SHIPPED WITH
REMOTE CONTROL DEVICES**

1982	1981
35.6%	31.0%

**CONSOLE COLOR TV
SALES BY FURNITURE STYLE**

	1982	1981
Early American	25%	26%
French Provincial	3%	4%
Mediterranean	29%	32%
Modern (contemporary)	38%	33%
Other	5%	5%

**BLACK & WHITE TV
TOTAL FACTORY SHIPMENTS**

	1982	1981	% of Change
Black & White TV, total	5,575,000	5,766,000	− 3.3
Portable & Table	5,567,000	5,752,000	− 3.2
Console & Combo	8,000	14,000	− 42.9

**BLACK & WHITE TV
SALES BY TYPE OF OUTLET**

	1982	1981
Appliance/TV Store	25%	25%
Catalog Showroom	5%	6%
Catalog Store (Sears, Penneys, etc.)	19%	19%
Department Store	16%	16%
Discount Store	26%	26%
Furniture Store	4%	4%
Other	5%	4%

**BLACK & WHITE TV
PERCENT SHIPPED WITH
BATTERY-POWERED CAPABILITY**

1982	1981
28.1%	25.6%

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BLACK & WHITE TV SALES BY SCREEN SIZE

	1982	1981	% of Change
Mini Combination Units	493,000	483,000	+ 2.1
9 in. & under (excl. mini combos)	694,000	756,000	− 8.2
12 in.	3,956,000	3,921,000	+ 0.9
13 & 15 in.	85,000	106,000	− 19.8
16 & 17 in.	62,000	90,000	− 31.1
18 & 19 in.	278,000	396,000	− 29.8
22 in., total	7,000	14,000	− 50.0
Console & Combo	5,000	11,000	− 54.6
Table	2,000	3,000	− 33.3

PROJECTION TV TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Projection TV	127,000	109,000	+ 16.5

PROJECTION TV SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	18%	15%
Audio Hifi Specialty Store	25%	28%
Catalog Showroom	1%	1%
Department Store	9%	9%
Discount Store	2%	2%
Furniture Store	2%	3%
Video Specialty Store	41%	40%
Other	2%	2%

VIDEOCASSETTE RECORDER TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Videocassette recorders, total	1,993,000	1,330,000	+ 49.8
Beta	481,000	336,000	+ 43.2
VHS	1,512,000	994,000	+ 52.1

VIDEOCASSETTE RECORDER SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	31%	35%
Audio Hifi Specialty Store	10%	11%
Catalog Showroom	3%	2%
Catalog Store (Sears, Penneys, etc.)	9%	6%
Department Store	11%	15%
Discount Store	9%	11%
Video Specialty Store	22%	19%
Other	5%	1%

VIDEOCASSETTE RECORDER PERCENT SHIPPED WITH STEREO CAPABILITY

1982	1981
4%	0%

VIDEO CAMERA TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Video Cameras, total	330,000	186,000	+ 77.4
Color	324,000	175,000	+ 85.1
Black & White	6,000	11,000	− 45.5

VIDEODISC PLAYER TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Videodisc Players, total	333,000	160,000	+ 108.1
Laser	45,000	20,000	+ 125.0
CED	288,000	140,000	+ 105.7

VIDEODISC PLAYER SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	36%	36%
Audio/Hifi Specialty Store	11%	11%
Catalog Showroom	2%	2%
Catalog Store (Sears, Penneys, etc.)	10%	11%
Department Store	12%	12%
Discount Store	7%	7%
Video Specialty Store	21%	19%
Other	1%	2%

Inaugural Tracking Of Electronics Furniture Shows More Than 4 Million Units Shipped

This is the first year that *Merchandising* has tracked statistics for the burgeoning electronics furniture category, and according to input from major manufacturers, some 4.2 million units will be shipped this year.

This represents a growth rate of 7.6 percent over 1981 in which shipments almost reached the 4.0 million mark.

According to the manufacturers polled, the home computer bench, although still a relatively small segment, will be the fastest growing item this year. This was much in evidence at the recent CES when most vendors showed computer benches for the first time, anticipating the computer boom that the industry is confidently awaiting.

Sales of videogame carts also registered a strong rate of growth, again not surprising when one looks at the incredible growth the videogame industry itself is experiencing this year.

The largest category, however, expected to account for more than half of all the electronics furniture shipped this year, is television carts. More than two million units should reach retailers in 1982, and the category is still growing, up 4.5 percent since last year.

Audio furniture sales rank second, although, like the audio industry, shipments are down.

Also keeping pace with the industry are shipments of furniture designed to hold an array of video gear. This category is expected to register better than a 25 percent growth this year.

And audio/video centers are also doing well, showing better than 31 percent growth. The rush of manufacturers into the component TV business this past spring could give this piece of furniture another shot in the arm next year, propelling it into position as one of the most popular pieces of furniture.

Appliance/TV Stores Excel

Selling the most electronics furniture, according to the manufacturers, are appliance/TV stores, which are expected to be responsible for 18 percent of the sales this year.

Catalog stores, such as Sears and Penneys, are doing almost as well, expected to capture 17 percent of sales. They're followed closely by catalog showrooms, department stores and discount stores.

Following at a considerable distance are computer stores (although this segment should surge ahead next year), video specialty stores, electronics specialty stores and other outlets, such as toy stores, PX's and furniture outlets.

—Lee Rath
editor

ELECTRONICS FURNITURE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Electronics Furniture, total	4,190,360	3,894,150	+ 7.6
Audio (components)	803,290	863,330	− 7.0
Television Carts	2,182,340	2,088,040	+ 4.5
TV/VCR/ Videodisc Player	351,150	280,770	+ 25.1
Audio/Video Centers	166,780	126,950	+ 31.4
Videogames	370,850	267,140	+ 38.8
Home Computers	183,120	107,480	+ 70.4
Stereo Carts	132,830	160,440	− 17.2

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ELECTRONICS FURNITURE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	18.0%	19.2%
Audio/Hifi Specialty Store	10.0%	11.1%
Catalog Showroom	15.4%	15.3%
Catalog Store (Sears, Penneys, etc.)	17.0%	16.5%
Department Store	15.2%	15.6%
Discount Store	14.7%	14.6%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	2.1%	1.8%
Computer Store	3.4%	2.4%
Video Specialty Store	2.8%	2.5%
Other (includes toy stores, PX's, furniture stores, etc.)	1.4%	1.0%

Videogames Shine In 1982 With Five Million Units Expected To Be Shipped

Videogames are emerging as the brightest star of the personal electronics galaxy, surging ahead in sales at an incredible rate.

Substantially more than five million are predicted to reach retailers this year, more than double 1981's total. Videogame cartridges—including games from 10 or more new suppliers—should total about 61 million, an increase of 25 million units.

On the darker side, downward pressure on prices for videogame hardware has accelerated to include most types of retailers. And some who never had to worry about cartridge profit margins now have to keep a close eye on the competition.

Reasons include the expensiveness of the consoles—which are often bought as a gift or a toy—and the proliferation of software suppliers and outlets. Most videogame business continues to take place at discount, catalog chain, department and catalog showroom outlets, however.

The rapid influx of hardware and software suppliers has varied roots. While most would like to be around for the long term, others probably want to make a quick buck.

As far as retailers are concerned, there is little sense in taking the time and effort to stock games that represent "first-generation" play value. Indeed, with "third-generation" hardware due momentarily, consumers will be even less likely to settle for unsophisticated graphics or game play.

And it is precisely the less-sophisticated type of game that can suffer the biggest drop in margin. Some dealers have even sold early games at a loss, just to free up open to buy.

Most retailers hope that the category will stabilize next year, and believe that videogames will remain strong for at least several more years. Some have also hedged their bets by taking on home computers, which have already shown unexpected strength.

Computer Shipments Soar

The latest factory shipment figures indicate that about 1.36 million will be shipped this year, compared with 597,000 in 1981.

Of course, sell through is another matter. Still unproven is whether general merchandisers can successfully "sell a box," although increasing numbers have found the answer to be "yes."

A surprising number of large discount store chains will be among those retailers getting a firmer indication during the Christmas season.

For retailers who want to establish a real presence in home computers, a better strategy might be to acquire the manpower, space and expertise needed to offer software, peripherals, advice and other services.

With hardware profits continuing to slip, this already makes bottom line sense. One idea that might be considered by some stores could be to place one person in charge of both videogames and computers.

According to suppliers, sales of personal computers by intended use have substantially shifted toward the home. The market among schools has remained constant. One reason could be a lack of funds; in any case, most are sold directly by the manufacturer.

The under-$500 price category has become dominant, with most other ranges losing sales. Whether home computers appeal to game players, concerned parents or a different category of buyers in the future, their potential has to be regarded as very promising.

Electronic game factory shipments continue to slide, though both handheld and strategy volumes must be regarded as substantial. Most of the handheld, or self-contained, action has been in arcade-theme games. Innovations aimed at appealing to more adept chess players represent a trend among electronic chess game manufacturers *(see page 33)*.

Phone Sales Heat Up

In the telephone category, the home ownership revolution so far shapes up as an evolution, although the proposed AT&T-Justice Department settlement has speeded things up a bit.

Both standard and cordless phones have gained, as have the advanced chip-based models. Indications continue to show that the real comer will continue to be the cordless phone.

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Meanwhile, as prices have come down, telephone answerers have grown in appeal. For both telephones and answerers, increased unit volume has allowed suppliers to launch more consumer advertising, which has in turn again increased volume. Retailers hope this cycle continues.

Factory shipments of calculators remained basically flat. Still, many retailers told *Merchandising* they have increased their calculator business and its profitability. The key has been merchandising mix adjustments.

Handheld programmable units offer the best markup, for instance (37.1 percent, according to dealers contacted earlier this year). Factory shipments have increased by over 15 percent.

The larger scientific category also continued to grow, by 9.2 percent to over 4.7 million units. Strongest gainer in the handheld category continues to be the printer, with shipments up 67 percent to almost 1.4 million units.

Total handheld sales to dealers now approach 25 million units a year, a slight gain. Desk-top shipments have topped 4.5 million, also a small increase, with printer/display models generating 2.82 million units of that business.

Digital Watches Hang On

One surprise in the digital watch category is the product's continued viability in the face of various forecasts of a swing back to analog watches; shipments should edge past 24 million units this year. Another is the reluctance of women to accept models that were expected to appeal to them.

These watches have become smaller, slimmer and more highly styled—just the ingredients thought needed to increase the women's share of market. But since men's models still account for nearly three out of four models sold, vendors' plans have been adjusted accordingly.

Another surprise in personal electronics has been the rapid switch in consumer preference to super-heterodyne radar detectors. A year ago, 156,000 of these units were shipped. Now that has increased to 281,000, roughly an 80 percent jump in one year. Passive sales have decreased by about 17 percent, to 300,000. But thanks to the super-heterodyne explosion, overall sales to dealers have risen 12.2 percent to 581,000 units.

In retrospect, the change could almost have been expected. After all, the personal electronics charts show videogames up 115.5 percent, personal computers jumping 127.8 percent, and gains in several other categories. Advances in consumer electronics continue to improve their value, and consumers know it.

And if the recession shows signs of ending soon, Christmas business could also show a substantial improvement over last year, retailers hope.

—William Silverman
senior associate editor

PERSONAL COMPUTER TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Personal Computers	1,360,000	597,000	+ 127.8

PERSONAL COMPUTER SALES BY INTENDED USE

	1982	1981
Business/Professional	44%	56%
Personal/Home	41%	28%
School/Education	15%	16%

PERSONAL COMPUTER SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	5%	5%
Audio/Hifi Specialty Store	5%	5%
Catalog Showroom	6%	4%
Catalog Store (Sears, Penneys, etc.)	5%	5%
Computer Specialty Store	45%	44%
Department Store	5%	6%
Discount Store	3%	2%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	21%	20%
Hobby Shop	4%	3%
Others	1%	6%

PERSONAL COMPUTER SALES BY PRICE RANGE

	1982	1981
Under $500	25%	5%
$500 - $800	12%	18%
$801 - $1,000	12%	15%
$1,001 - $1,500	23%	32%
$1,501 - $2,000	8%	5%
Over $2,000	20%	25%

VIDEOGAME TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Videogames, total	5,390,000	2,502,000	+ 115.5
Non-Programmable	200,000	447,000	- 54.8
Programmable	5,190,000	2,055,000	+ 152.1
Videogame cartridges	61,000,000	36,000,000	+ 69.4

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VIDEOGAME SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	8%	9%
Audio/Hifi Specialty Store	5%	4%
Catalog Showroom	12%	13%
Catalog Store (Sears, Penneys, etc.)	17%	16%
Department Store	16%	17%
Discount Store	23%	27%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	3%	3%
Toy Store	12%	9%
Video Specialty Store	3%	1%
Others	1%	1%

ELECTRONIC GAME TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Electronic Games, total	**13,593,000**	**16,539,000**	− 17.8
Handheld	10,593,000	12,800,000	− 17.2
Board (strategy)	3,000,000	3,739,000	− 19.8

ELECTRONIC GAME SALES BY TYPE OF OUTLET

	1982
Book Store	2%
Catalog Showroom	17%
Catalog Store (Sears, Penneys, etc.)	24%
Department Store	14%
Discount Store	13%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	6%
Hobby Shop	4%
Toy Store	19%
Other	1%

PHONE AND PHONE ANSWERER TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Phones, total	**4,057,000**	**3,155,000**	+ 28.6
Standard	1,236,000	1,090,000	+ 13.4
Decorator	1,339,000	1,284,000	+ 4.3
Advanced Electronic	463,000	359,000	+ 29.0
Cordless	1,019,000	422,000	+ 141.5
Phone Answerers	858,000	697,000	+ 23.1

PHONE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	6%	4%
Audio/Hifi Specialty Store	4%	4%
Catalog Showroom	15%	13%
Catalog Store (Sears, Penneys, etc.)	14%	16%
Department Store	14%	16%
Discount Store	18%	19%
Phone Specialist	19%	20%
Other	10%	8%

PHONE ANSWERER SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	3%	2%
Audio/Hifi Specialty Store	3%	2%
Catalog Showroom	9%	9%
Catalog Store (Sears, Penneys, etc.)	14%	16%
Department Store	29%	31%
Discount Store	30%	29%
Office Supply Store	4%	2%
Phone Specialist	7%	8%
Other	1%	1%

CALCULATOR TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Calculators, total	**29,503,000**	**28,260,000**	+ 4.4
Handheld, total	24,905,000	23,905,000	+ 4.2
Mini-Card	2,398,000	2,760,000	− 13.1
Printer	1,376,000	824,000	+ 67.0
Programmable	122,000	106,000	+ 15.1
Scientific	4,767,000	4,367,000	+ 9.2
All other	16,242,000	15,848,000	+ 2.5
Desk-Top, total	4,598,000	4,355,000	+ 5.6
Display Only	904,000	915,000	− 1.2
Printer Only	874,000	1,123,000	− 22.2
Printer/Display	2,820,000	2,317,000	+ 21.7

CALCULATOR SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	3%	4%
Book Store	1%	1%
Catalog Showroom	13%	12%
Catalog Store (Sears, Penneys, etc.)	22%	23%
Department Store	10%	11%
Discount Store	32%	30%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	4%	4%
Office Supply Store	8%	9%
Others (including Drug Stores)	7%	6%

RADAR DETECTOR TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Radar Detectors, total	**531,000**	**518,000**	+ 12.2
Super-heterodyne	231,000	156,000	+ 80.1
Passive	300,000	362,000	− 17.1

RADAR DETECTOR SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	1%	1%
Automotive Supply Store	16%	16%
Catalog Showroom	19%	16%
Catalog Store (Sears, Penneys, etc.)	9%	9%
CB Specialty Store	13%	13%
Department Store	3%	3%
Discount Store	17%	17%
Truck Stop	14%	18%
Electronics Specialty Store	5%	4%
Others	3%	3%

DIGITAL WATCH TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Digital Watches, total	**24,366,000**	**23,595,000**	+ 3.3
Men's	17,747,000	17,163,000	+ 3.4
Women's	6,619,000	6,432,000	+ 2.9

DIGITAL WATCH SALES BY TYPE OF OUTLET

	1982	1981
Catalog Showroom	15%	16%
Catalog Store (Sears, Penneys, etc.)	19%	20%
Department Store	22%	22%
Discount Store	25%	25%
Drug Store	9%	7%
Jewelry Store	10%	10%

Audio Shipments Expected To Suffer At The Hands Of Healthier Categories

Of all the categories in electronics, it appears that audio is suffering the most in 1982. The statistics show:

- hifi component shipments are down considerably with the possible exception of receivers, headphones and tape decks;
- console stereos have all but disappeared;
- compact system shipments are generally off with only cassette recorder bimode and trimode models exhibiting any growth;
- autosound shipments are up, although their growth has moderated somewhat compared with previous years;
- radio shipments are down in general with only a few types of units and specialty models (such as multibands) showing up in the plus column, and
- portable tape units (with the definite exception of radio/cassette combos) are not faring as well as they once did.

It's no secret that consumers have turned to new forms of electronic entertainment with their expendable dollars. Videogames, videodisc players and VCR's are all contributing to the audio slump.

Nevertheless, there are a few bright spots. The first, obviously, is in personal portable stereos such as the Walkman. Doing quite well, the category, unfortunately, proved impossible to track.

The manufacturers that rushed into the area are apparently finding it difficult to arrive at any kind of a consensus about how many units are being shipped. Figures should be more readily available once the dust has settled following the veritable explosion of product.

Some Components Show Growth

In audio components, only receivers, headphones and tape decks continue to show anything that looks like growth.

More than 1.4 million receivers are expected to be shipped to retailers this year. Perhaps consumers are being attracted by all the blinking lights and computerized tuning features of the newer models. Or perhaps they're starting to catch on to the fact that their 10-year-old model is no longer good enough to do the job.

Headphones appear to be riding the wave of personal portable sales. Consumers, growing accustomed to headphone listening outdoors, might just be more interested in following suit inside. Then, they look for one of the newer lightweight models.

Cassette decks lead the parade in tape as 8-track and open-reel models continue to fall behind. Cassette deck shipments are expected to jump six percent this year. Again, although growth has been stronger in the past, this product continues to be one of the brighter lights in component hifi.

Among retail outlets, specialty stores, catalog stores and department stores lost ground this year to appliance/TV stores, discounters and electronics specialty stores in component sales.

It was also somewhat surprising to find that the number of components shipped in prepackaged systems is expected to slip this year, albeit slightly. And the fact that manufacturers are slowly picking up on remote control devices—which have helped boost TV sales—shows the industry might be heading in new directions.

For 1983, the industry can expect to pick up some component sales as new products appear. The long-awaited digital audio disc is due. And the still honeymooning categories of audio and video are expected to bear issue.

With all the interest in improved sound to accompany the new wave of video, it's reasoned, consumers should turn their thoughts to improving their systems' speakers and, perhaps, their amplifiers. Maybe the rest of the component family will be able to tag along for the ride.

The category that disappeared, console stereo, did so this year because of an almost total lack of input from manufacturers. According to our statistics, the product expired last year in its late 20's with about 450,000 units shipped.

In compact systems, the only significant growth was registered by cassette recorder trimode units, which incorporate a receiver, turntable and cassette player. More than 1.4 million units are expected to be shipped this year.

EIGHTH ANNUAL ELECTRONICS STATISTICS & MARKETING REPORT

AUDIO/HIFI

Cassette recorder bimodes, which include a receiver and cassette player, picked up some steam. Again, apparently both of these compact systems were riding on the popularity of the audiocassette.

The 8-track compacts, to no one's surprise, continued to lose ground steadily.

Among retailers of compact systems, catalog stores, department stores, discounters and electronics specialty stores picked up market share. Those that lost were appliance/TV stores, audio/hifi specialty stores and drug stores.

Car Stereo Shows Growth

The autosound category is expected to register overall growth of about 7.3 percent this year. The big winners should be in-dash cassette/radio combos and speakers. Under-dash cassette-only units should also pick up somewhat. Again, it's the 8-tracks that are hurting.

According to the statistics, car stereo specialists are picking up more and more of the retail action at the expense of discounters and catalog stores. It would seem that the consumers are getting a bit pickier about where they buy their autosound systems and who they let install them.

It also appears that the customer is willing to spend more for his system. Units priced between $181 and $350 are selling better this year while those at other price points are not doing as well.

Radio shipments are expected to dip slightly overall, about 2.3 percent. Only AC/DC portable units, digital clock radios and some specialty types (multi-bands, weather-band units and CB radios) are expected to exhibit any growth at all.

Perhaps strength in that category is being drained by some of the portable tape products which include radios. For in that category, portable cassette players with built-in radios are expected to show an increase in shipments of close to 25 percent.

Microcassette recorders are also expected to show some growth (watch for more from this category in the future). The rest of the products, however, the separate cassette recorders and (once more) 8-track player/recorders, are expected to register fewer units shipped in 1982.

At the retail level, only catalog stores, such as Sears and Penneys, and drug stores are picking up any market share with portable tape products. And that's at the expense of appliance/TV stores, catalog showrooms and department stores.

Overall, it's the younger products that can exhibit some form of new technology that are showing the growth in audio. As some of their features, such as quartz tuning, filter down to the older products, perhaps they will get the rejuvenating shot in the arm they could well use.

—**Lee Rath**
editor

HIFI COMPONENT TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
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[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]
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HIFI COMPONENT SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	8%	6%
Audio/Hifi Specialty Store	35%	37%
Catalog Showroom	7%	7%
Catalog Store (Sears, Penneys, etc.)	18%	20%
Department Store	11%	12%
Discount Store	6%	5%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	7%	5%
Hifi Salon	8%	8%

HIFI COMPONENT PERCENT SHIPPED IN PREPACKAGED SYSTEMS

1982	1981
52.2%	57.5%

HIFI COMPONENT PERCENT SHIPPED WITH REMOTE CONTROL DEVICES

1982	1981
2.9%	2.2%

RECEIVER SHIPMENTS BY WATTAGE

	1982	1981
10-20 Watts	18%	19%
21-40 Watts	38%	35%
41-100 Watts	38%	40%
Over 100 Watts	6%	6%

CONTINUED ON PAGE 30

EIGHTH ANNUAL ELECTRONICS STATISTICS & MARKETING REPORT

AUDIO/HIFI

CONTINUED FROM PAGE 28

COMPACT SYSTEM TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Compact Systems, total	**2,977,000**	**3,578,000**	**– 16.8**
Cassette Recorder Bimode	**80,000**	**77,000**	**+ 4.5**
Cassette Recorder Trimode	**1,406,000**	**1,176,000**	**+ 19.6**
8-Track Player Bimode	**105,000**	**248,000**	**– 57.7**
8-Track Player Trimode	**414,000**	**572,000**	**– 27.6**
8-Track Recorder Bimode	**107,000**	**274,000**	**– 60.9**
8-Track Recorder Trimode	**517,000**	**783,000**	**– 34.0**
Changer Bimode	**135,000**	**200,000**	**– 32.5**
Quadmode	**213,000**	**248,000**	**– 14.1**

COMPACT SYSTEM SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	18%	19%
Audio/Hifi Specialty Store	10%	11%
Catalog Showroom	9%	11%
Catalog Store (Sears, Penneys, etc.)	14%	13%
Department Store	18%	17%
Discount Store	24%	22%
Drug Store	1%	2%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	4%	3%
Others	2%	2%

AUTOSOUND TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Autosound, total	**20,657,000**	**19,251,000**	**+ 7.3**
Underdash Cassette Player	**735,000**	**722,000**	**+ 1.8**
Underdash Cassette/Radio Combo	**598,000**	**607,000**	**– 1.5**
Indash Cassette/Radio Combo	**3,189,000**	**2,899,000**	**+ 10.0**
Underdash 8-Track Player	**669,000**	**708,000**	**– 5.5**
Underdash 8-Track/Radio Combo	**191,000**	**208,000**	**– 8.2**
Indash 8-Track/Radio Combo	**1,684,000**	**1,722,000**	**– 2.2**
Car Speakers (pairs)	**12,569,000**	**11,303,000**	**+ 11.2**
Radios only (Retrofit)	**1,022,000**	**1,082,000**	**– 5.5**

AUTOSOUND AFTERMARKET SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	5%	5%
Audio/Hifi Specialty Store	18%	18%
Automotive Chain	13%	12%
Car Stereo Specialist	17%	14%
Catalog Showroom	5%	5%
Catalog Store (Sears, Penneys, etc.)	10%	13%
Department Store	5%	6%
Discount Store	11%	13%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	10%	10%
New Car Dealer	4%	4%
Others	2%	0%

AUTOSOUND SHIPMENTS BY PRICE RANGE

	1982	1981
$50 and under	2%	2%
$51 - $90	14%	14%
$91 - $130	24%	25%
$131 - $180	33%	34%
$181 - $250	13%	11%
$251 - $350	10%	9%
Over $350	4%	5%

PORTABLE TAPE UNIT TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Portable Tape Units, total	**22,250,000**	**23,695,000**	**– 6.1**
Cassette Recorders	**13,333,000**	**16,025,000**	**– 16.8**
Radio/cassette Combos	**7,853,000**	**6,302,000**	**+ 24.6**
8-Track Player/Recorders	**550,000**	**867,000**	**– 36.6**
Microcassette Recorders	**514,000**	**501,000**	**+ 2.5**

PORTABLE TAPE UNIT SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	15%	17%
Audio/Hifi Specialty Store	6%	6%
Catalog Showroom	15%	17%
Catalog Store (Sears, Penneys, etc.)	11%	6%
Department Store	16%	18%
Discount Store	26%	26%
Drug Store	4%	3%
Others	7%	7%

RADIO TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Radios, total	**27,250,000**	**27,881,000**	**– 2.3**
By Type:			
Table (excl. clock)	**700,000**	**986,000**	**– 29.0**
Portable	**18,000,000**	**17,493,000**	**+ 2.9**
Clock, Digital	**7,800,000**	**7,702,000**	**+ 1.3**
Electronic Display	**6,900,000**	**5,736,000**	**+ 20.3**
Mechanical Leaf Display	**900,000**	**1,966,000**	**– 54.2**
Clock, Analog	**750,000**	**1,700,000**	**– 55.9**
By Format:			
AM Only	**3,600,000**	**4,028,000**	**– 10.6**
FM & AM/FM	**23,650,000**	**23,853,000**	**– 0.9**
By Power Source:			
Battery (with or w/o plug-in)	**8,250,000**	**9,282,000**	**– 11.1**
AC/DC	**9,000,000**	**8,057,000**	**+ 11.7**
Other Plug-In (w/o battery)	**10,000,000**	**10,542,000**	**– 5.1**
Specialty Types:			
Multi-Band Radios	**7,500,000**	**7,022,000**	**+ 6.8**
Weather-Band Radios	**1,075,000**	**1,038,000**	**+ 3.6**
Scanner Radios	**869,000**	**920,000**	**– 5.5**
Citizens Band, total	**1,611,000**	**1,522,000**	**+ 5.8**
Base Station	**165,000**	**162,000**	**+ 1.9**
Mobile Units	**1,446,000**	**1,360,000**	**+ 6.3**

RADIO SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	15%	16%
Audio/Hifi Specialty Store	6%	4%
Catalog Showroom	16%	15%
Catalog Store (Sears, Penneys, etc.)	12%	10%
Department Store	6%	8%
Discount Store	29%	31%
Drug Store	3%	3%
Furniture Store	1%	1%
Jewelry Store	1%	1%
Other	11%	11%

EIGHTH ANNUAL ELECTRONICS STATISTICS & MARKETING REPORT

SOFTWARE

Blank Videotape Should Register 43.3 Percent Growth; Audiotape Up 5 Percent

Sales of blank videotape are booming. In fact, shipments to retailers should crack the 38 million mark this year, according to manufacturers polled by *Merchandising*.

The VHS formulation is expected to maintain its wide margin over the Beta format, capturing slightly better than 68 percent of the market for blank tape. In fact, the statistics show VHS sales are growing faster than Beta sales.

Shipments of prerecorded tapes are also up significantly, although not quite as much as blank tape shipments. General interest tapes are pacing the industry, growing slightly faster than their X-rated counterparts.

Overall, the vendors claim that general interest tapes are capturing just about the same percentage of sales as VCR saturation increases. Last year, they accounted for 67 percent of all shipments. This year, by comparison, they are expected to represent roughly 68 percent. Apparently, X-rated tapes are holding their own.

Who's selling videotape?

The statistics show that most of the blank tape, some 23 percent, is being moved by appliance/TV stores.

It would appear that customers are getting a bit less particular about where they buy their tape. Perhaps they are also getting a bit more price conscious. Catalog showrooms and discount stores are each expected to pick up market share.

In prerecorded tape, video specialists and catalog stores are together moving almost half of the units.

Audiotape Shipments Increase

Also expected to show an increase this year are shipments of blank audiotapes. Following hardware trends, this category is not registering the same growth as its video brother; a five percent increase is nevertheless anticipated.

Among cassette formulations, metal particle tape is registering the most growth, although it remains by far the smallest category.

Showing the least growth is the premium category, even though it represents the largest number of units shipped.

Open reel shipments are expected to be down more than five percent this year and 8-track shipments continue to plummet, off by almost 22 percent.

—Lee Rath
editor

BLANK AUDIOTAPE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Blank Audiotape, total	258,803,000	246,393,000	+ 5.0
Cassette, total	243,217,000	228,147,000	+ 6.6
Promotional	110,092,000	97,254,000	+ 13.2
*Premium	132,046,000	129,967,000	+ 1.6
Metal Particle	1,079,000	926,000	+ 16.5
Open Reel, total	7,601,000	8,018,000	− 5.2
Promotional	1,163,000	1,147,000	+ 1.4
*Premium	6,438,000	6,871,000	− 6.3
8-Track, total	7,985,000	10,228,000	− 21.9
Promotional	5,016,000	6,216,000	− 19.3
*Premium	2,969,000	4,012,000	− 26.0

*High coercivity, cobalt doped, chrome and ferrite chrome, etc.

BLANK PROMOTIONAL AUDIOTAPE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	3%	4%
Audio/Hifi Specialty Store	8%	9%
Camera Store	2%	3%
Catalog Showroom	7%	6%
Catalog Store (Sears, Penneys, etc.)	11%	10%
Department Store	6%	7%
Discount Store	37%	37%
Drug Store	8%	8%
Record Store	8%	6%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	8%	8%
Others	2%	2%

BLANK PREMIUM AUDIOTAPE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	4%	4%
Audio/Hifi Specialty Store	37%	37%
Camera Store	3%	4%
Catalog Showroom	8%	7%
Catalog Store (Sears, Penneys, etc.)	6%	7%
Department Store	9%	9%
Discount Store	14%	16%
Drug Store	4%	3%
Record Store	8%	6%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	6%	6%
Others	1%	1%

BLANK VIDEOTAPE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Blank Videotape, total	38,280,000	26,711,000	+ 43.3
Beta	12,151,000	9,361,000	+ 29.8
VHS	26,129,000	17,350,000	+ 50.6

BLANK VIDEOTAPE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	23%	26%
Audio/Hifi Specialty Store	17%	17%
Camera Store	5%	4%
Catalog Showroom	5%	3%
Catalog Store (Sears, Penneys, etc.)	5%	5%
Department Store	10%	10%
Discount Store	14%	13%
Film Processors (Fotomat, Shutterbug, etc.)	2%	2%
Record Store	4%	5%
Video Specialist	14%	13%
Others	1%	2%

PRERECORDED VIDEOTAPE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Prerecorded Videotape, total	6,988,000	5,172,000	+ 35.1
General Interest	4,723,000	3,469,000	+ 36.1
X-Rated	2,265,000	1,703,000	+ 33.0
Beta	2,083,000	1,643,000	+ 26.8
VHS	4,905,000	3,529,000	+ 39.0

PRERECORDED VIDEOTAPE SALES BY TYPE OF OUTLET

	1982	1981
Appliance/TV Store	10%	10%
Audio/Hifi Specialty Store	10%	10%
Camera Store	4%	4%
Catalog Showroom	3%	3%
Catalog Store (Sears, Penneys, etc.)	23%	24%
Department Store	12%	14%
Discount Store	4%	3%
Film Processors (Fotomat, Shutterbug, etc.)	4%	6%
Record Store	6%	6%
Video Specialist	23%	19%
Others	1%	1%

VIDEODISC SALES BY TYPE OF OUTLET

	1982
Appliance/TV Store	31%
Audio/Hifi Specialty Store	16%
Camera Store	2%
Catalog Showroom	2%
Catalog Store (Sears, Penneys, etc.)	8%
Department Store	5%
Discount Store	2%
Film Processors (Fotomat, Shutterbug, etc.)	1%
Record Store	6%
Video Specialist	26%
Others	1%

Merchandising's TOP 50

	Last month's position	Months on chart
1. **On Golden Pond** *(20th Century-Fox Video)* I	23	2
2. **Stripes** *(Columbia Pictures Home Entertainment)*	1	3
3. **Star Wars** *(20th Century-Fox Video)* I	—	1
4. **Stir Crazy** *(Columbia Pictures Home Entertainment)*	7	9
5. **Clash of the Titans** *(MGM/UA Video)*	2	5
6. **The French Lieutenant's Woman** *(20th Century-Fox Video)*	3	3
7. **Time Bandits** *(Paramount Home Video)*	—	1
8. **Caddyshack** *(Warner Home Video)* GI	9	17
9. **An American Werewolf in London** *(MCA Videocassette)*	4	7
10. **Apocalypse Now** *(Paramount Home Video)*	21	7
11. **9 to 5** *(20th Century-Fox Video)* PI	14	16
12. **Only When I Laugh** *(Columbia Pictures Home Entertainment)*	12	4
13. **Cannonball Run** *(Vestron Video)* I	16	4
14. **Jane Fonda's Workout** *(Karl Video)*	—	1
15. **Atlantic City** *(Paramount Home Video)*	11	3
16. **Paternity** *(Paramount Home Video)*	18	5
17. **Fort Apache—The Bronx** *(Vestron Video)* I	13	4
18. **Star Trek—The Motion Picture** *(Paramount Home Video)* I	42	20
19. **Superman** *(Warner Home Video)* I	26	30
20. **Mommie Dearest** *(Paramount Home Video)* I	17	5
21. **The Howling** *(20th Century-Fox Video)*	6	4
22. **Dragon Slayer** *(Paramount Home Video)*	—	1
23. **Airplane** *(Paramount Home Video)*	5	18
24. **Kramer vs. Kramer** *(Columbia Pictures Home Entertainment)* GI	30	8
25. **The Four Seasons** *(Paramount Home Video)* GI	8	6
26. **Ordinary People** *(Paramount Home Video)* PI	34	13
27. **Superman II** *(Warner Home Video)*	32	2
28. **Aerobicize** *(Paramount Home Video)*	—	1
29. **Friday the 13th** *(Paramount Home Video)* I	25	16
30. **Halloween II** *(MCA Videocassette)*	10	3
31. **Scanners** *(20th Century-Fox Video)*	15	4
32. **The Jazz Singer** *(Paramount Home Video)* I	20	9
33. **M*A*S*H** *(20th Century-Fox Video)* PI	28	46
34. **Texas Chainsaw Massacre** *(Wizard Video)*	22	4
35. **Animal House** *(MCA Videocassette)* GI	19	22
36. **The Blues Brothers** *(MCA Videocassette)* PI	27	20
37. **Tess** *(Columbia Pictures Home Entertainment)* I	46	10
38. **Black Stallion** *(20th Century-Fox Video)* GI	38	12
39. **Continental Divide** *(MCA Videocassette)*	24	4
40. **The Blue Lagoon** *(Columbia Pictures Home Entertainment)* I	40	9
41. **"10"** *(Warner Home Video)* PI	39	25
42. **Halloween** *(Media Home Entertainment)* I	36	24
43. **Cheech & Chong's Next Movie** *(MCA Videocassette)* I	—	11
44. **Busting Loose** *(MCA Videocassette)*	29	8
45. **The Muppet Movie** *(20th Century-Fox Video)* PI	43	26
46. **Casablanca** *(20th Century-Fox Video)* I	50	10
47. **Alien** *(20th Century-Fox Video)* PI	31	25
48. **Close Encounters of the Third Kind** *(Columbia Pictures Home Entertainment)* GI	49	16
49. **Night Hawks** *(MCA Videocassette)* GI	37	10
50. **Somewhere in Time** *(Warner Home Video)* I	45	10

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/VIDEO)
P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/VIDEO)
I—Golden Videocassette award—has audited return sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

VIDEO/NEW RELEASES

Andre Blay

THE LADY VANISHES (1938) Alfred Hitchcock drama in which an elderly lady (Dame May Whitty) suddenly disappears from her compartment on a moving train. *Black and white 96 minutes NR Andre Blay Corp. C: $49.95.*

MAGIC (1978) A terrifying love triangle is formed between a ventriloquist, his girlfriend, and his dummy who has come alive in his master's mind. Stars Anthony Hopkins, Ann-Margret and Burgess Meredith. *Color 106 minutes R Andre Blay Corp. C: $49.95. LV: $29.95.*

THE 39 STEPS (1935) Alfred Hitchcock drama features Robert Donat as Richard Hannay who is on the trail of a spy who he suspects murdered a girl in his apartment, only to discover the police believe he is the killer. *Black and white 80 minutes NR Andre Blay Corp. C: $49.95.*

MCA

ABBOTT AND COSTELLO MEET FRANKENSTEIN (1948) The comedy duo portray railroad baggage clerks who unknowingly deliver a crate containing the last remains of Dracula (Bela Lugosi) and Frankenstein (Glen Strange). The monsters escape to an island where they pursue Abbott and Costello. Also stars Lon Chaney Jr. *Black and white 83 minutes MCA Videocassette C: $39.95.*

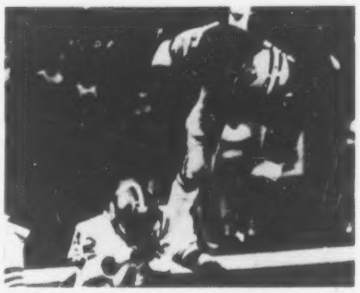
CAT PEOPLE (1982) A fantasy of the passion and terror that surround a young woman's simultaneous realization of love and her inescapable and bizarre family heritage. Stars Nastassia Kinski, Malcolm McDowell and John Heard. *Color 118 minutes R Stereo in VHS MCA Videocassette C: $85.50.*

HOT T-SHIRTS (1979) A small town bar launches a wet T-shirt contest to help boost its business. Stars Ray Holland, Stephanie Lawlor and Pauline Rose. *Color 86 minutes R MCA Videocassette C: $39.95.*

Media

THE SEDUCTION (1982) Morgan Fairchild stars as a television anchorwoman who has become the unwilling love object of a psychotic photographer. Also stars Andrew Stevens, Michael Sarrazin and Vince Edwards. *Color 104 minutes R Media Home Entertainment C: $59.95.*

NFL Video



NFL '81 (1982) A profile of the 1981-1982 season includes the playoffs and NFL Films' selections for the All-Pro teams. *Color 47 minutes NFL Films Video C: $49.95.*

SUPER BOWL XVI HIGHLIGHT (1982) The San Francisco 49er victory over the Cincinnati Bengals is examined along with an in-depth analysis of key plays. *Color 23 minutes NFL Films Video C: $34.95.*

Pacific Arts

AN EVENING WITH SIR WILLIAM MARTIN Bizarre comedy performance starring Bill Martin, co-writer of Elephant Parts, and Michael Nesmith. *Color 30 minutes Pacific Arts Video Records C: $39.95.*

THE ENDLESS SUMMER (1966) Documentary follows two surfers on a trip around the world in search of summer. Their expedition takes them to Senegal, Ghana, Nigeria, South Africa, Australia, New Zealand, Tahiti, Hawaii and California. *Color Pacific Arts Video Records C: $69.95.*

Thorn EMI

EDWARD AND MRS. SIMPSON (1980) Emmy Award winning account of the years leading to King Edward's abdication of the throne in 1936, so he could marry an American divorcee, Wallis Simpson. A multi-cassette package. *Color Thorn EMI Video.*

SUMMER SOLSTICE (1981) Henry Fonda and Myrna Loy portray an aging couple revisiting the New England beach where they first met. *Color 75 minutes Thorn EMI Video C:$69.95.*

Walt Disney

THE THREE CABALLEROS (1945) A mixture of live action and cartoon animation, this musical comedy features Donald Duck and two of his south-of-the-border friends, Panchito, a Mexican rooster, and Joe Carioca, a Brazilian parrot. *Color Walt Disney Home Video C: $69.95.*

THE WATCHER IN THE WOODS (1981) A science-fiction thriller set in the English countryside stars Bette Davis, Carroll Baker and David McCallum. *Color 83 minutes Walt Disney Home Video C: $69.95.*

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75th ANNIVERSARY
A GRALLA PUBLICATION
SEPTEMBER 1982

Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

-1 C4200-1 9/27/82

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VIDEOGAMES

...They're the fastest-growing product of the year, and they're yours to sell. Starting on page 45, we'll help you set the pace in this accelerating market.

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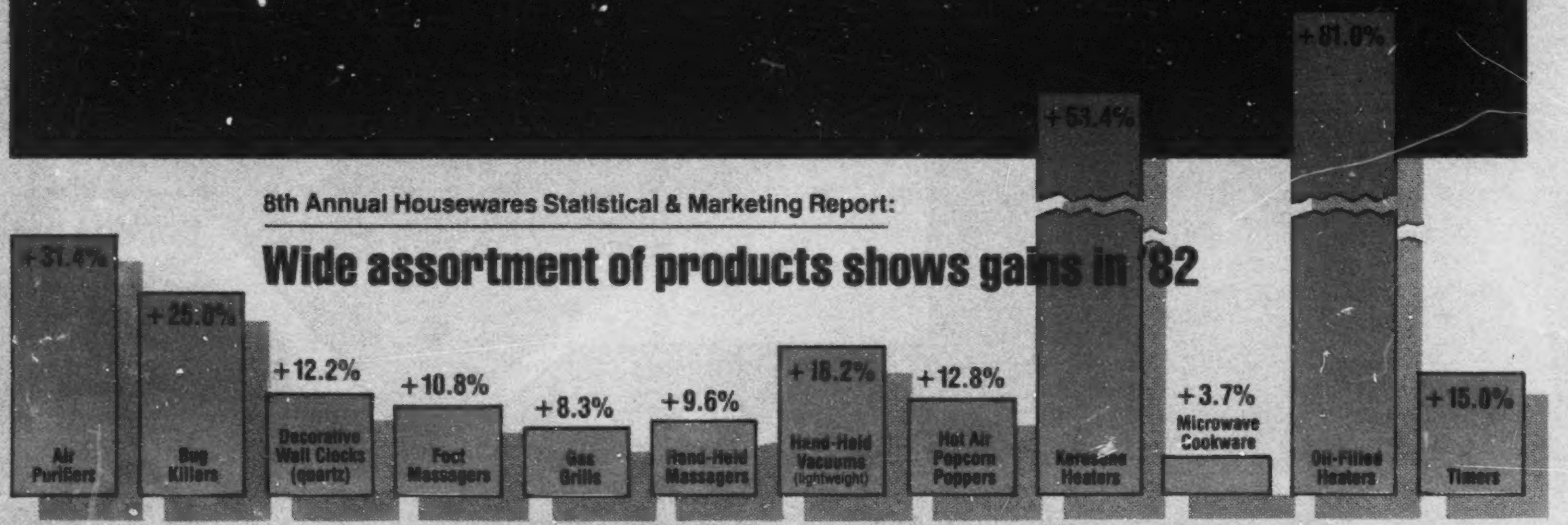
Wide assortment of products shows gains in '82



5 successful dealers share their secrets for success in generating big, booming sales in the fourth quarter

Also in this issue:

- **Merchandising** introduces a new, improved Top 50 in Prerecorded Video
- Retailers: There is financing available, and it's yours for the asking
- The industry gears up to take full advantage of the coming boom in phones
- 35mm camera manufacturers focus on the videocassette recorder market

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Executive Office: 1515 Broadway, New York, NY 10036 212/869-1300

Jared Liebowitz .... publisher
Lee Rath .... editor
Aaron Neretin .. editorial and marketing consultant

EDITORIAL STAFF
Managing Editor .... Nancy Markov
Sr. Assoc. Editors ... William Silverman
Pamela Golden
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SALES OFFICES
Eastern Regional Office:
1515 Broadway, NY 10036
Susan Matthews (212) 869-1300
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Robert Sarra, II (312) 463-1102
West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Jane Morrison (213) 788-0271

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FOR OVER 55,700 RETAILERS & WHOLESALERS
VOL. 7, No. 9

75th ANNIVERSARY

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EIGHTH ANNUAL HOUSEWARES STATISTICAL & MARKETING REPORT

Seasonal product shipments stand out in mixed bag of pluses and minuses

Whether or not an economic recovery actually gets underway in the fourth quarter, housewares manufacturers are banking on a strong holiday period to rescue appliance and cookware sales for 1982.

A close look at shipment figures in the eight product categories tracked by *Merchandising* reveals a mixed bag of pluses and minuses. The seasonal areas—air treatment and outdoor—are projected to be well ahead of last year's figures in most cases. Clocks, floor care and home security shipments are also generally forecast to be ahead of 1981 figures.

The food preparation and personal care areas, however, are not expected to weather 1982 as successfully. The bright spots (and there are some) are outweighed by the not-so-bright ones.

Just where small appliances and cookware are being sold this year is also tracked in this Eighth Annual Statistical and Marketing Report. And a definite trend has begun to emerge in almost every area.

Overall, product has been moving well when heavily discounted at retail—even before a rebate is offered. But consumers are responding to little else so far this year, both vendors and buyers have indicated. While product is selling through, and unit sales are acceptable, a lot more product must be sold to make dollar volume equally as palatable.

When will dealers attempt to restore the margins that have eroded since the fourth quarter of last year? Some buyers around the country say they will attempt to do so starting next month, a few weeks before the holiday rush begins. If the season starts on time, these dealers may be able to hold prices to within two weeks before Christmas. But no one can agree about what the holiday season will be like this year.

Do dealers have enough inventory ordered or on hand for the October-November-December period? Retailers have kept a close watch on inventories throughout 1982, and are not changing for the holiday period. Because deliveries have been right on schedule and, in some cases, faster than normal, dealers have said, they are more confident of not being caught short.

Seasonal areas shine

The combination of new product introductions into the American market, plus the energy-saving trend toward zone-heating and cooling is giving air treatment shipments a healthy report again this year.

The oil-filled heater, first known in Europe, came stateside in 1981 and is expected to continue to do well this year (up 81.4 percent in units shipped). Kerosene heaters, an old product redesigned with new safety features, is also predicted to climb in units shipped (53.4 percent). Ceiling fans should continue to rise slightly (2.2 percent), and air purifiers are projected to shoot up with heavy fourth-quarter advertising behind them (31.4 percent).

Outdoor products, led by gas grills (up 8.3 percent), are forecast to gain in units shipped in 1982, compared with 1981 totals. Bug killer shipments, supported by a year of higher-than-normal rainfall, are projected to be up 25 percent this year.

Battery quartz movements are fueling clock shipment gains in all four product areas—decorative and kitchen wall, alarm and desk/table/occasional. The total category is expected to exceed 30 million units shipped by year-end.

Floor care manufacturers are taking keen interest in the lightweight, hand-held vacuum. The small-unit volume area is anticipated to climb 18.2 percent in 1982. Smaller storage space in smaller dwellings will propel the portable vac area, vendors contend. The total floor care area is projected up 0.9 percent in units shipped.

Local legislation requiring smoke detector installation in all homes is keeping that area riding high, with shipments expected to be off only 0.2 percent in 1982. Timer shipments are reported to be on the upswing this year, rising 15 percent. Consumers are purchasing them both as an inexpensive form of security and to save energy.

Hot air corn popper shipments are one of the few plus categories in kitchen electrics (up 12.8 percent). Microwave cookware is expected to continue strong, with shipments up in four out of six categories. Metal cookware and bakeware shipments are generally forecast to drop this year, with the exception of stainless steel. The economy and increased non-stick saturation are blamed for the decreases.

Both of these categories, plus personal care, are more gift-oriented than other housewares categories monitored. A strong fourth quarter could help these product areas exceed what manufacturers are predicting at this time.

Catalog showrooms gain ground

In six of eight product areas tracked, catalog showrooms grabbed a percentage point or two of market share. In most cases, it is at the expense of either or both department stores and discounters. Department stores are continuing their slide in market share in most categories with the exception of clocks (in high-end wall and boutique alarm models), and air treatment (oil-filled heaters, fans and air purification).

Merchandising's statistical projections are gathered in July of each year. A comparison of how accurate manufacturers were able to account for the remaining five months of the year will be published in the March 1983 issue. For a detailed report on each product category see pages 16 through 24.

—Bill De Siena
associate editor/housewares

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STATISTICAL MATTER for this survey was collected and compiled by **Sonia [illegible]**, market research manager, and **Roberta Janasz**, research associate.

Design: THUMBNAIL GROUP

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Hot air poppers, cooking appliances lead kitchen electrics in gains over 1981

EIGHTH
ANNUAL
HOUSEWARES
STATISTICAL
&
MARKETING
REPORT

KITCHEN ELECTRICS

When retailers are asked what their best-selling kitchen electrics have been this year, they consistently mention "hot air." Hot air corn poppers have experienced steady growth since their debut in 1978. This year, shipments are expected to reach 3,050,000 units, an increase of 12.8 percent over 1981 figures.

As hot air popper shipments have risen, so have popcorn sales. Last year, dealers sold $168 million worth of popcorn for home use, according to figures from the Popcorn Institute. Retail sales, they estimate, could rise 19 percent this year, to $200 million.

Hot air poppers have appealed to health conscious consumers, because the devices do not use oil. Hot oil poppers are forecast to drop 10 percent in units shipped, to 2,766,000 this year. But the introduction of oil poppers that make caramel corn may reverse the slide in shipments next year.

Of all the categories *Merchandising* tracks, kitchen electrics has been hit hardest in 1982. Few bright spots exist in shipment comparisons with last year.

As a result, vendors have cut back on price increases this year while retailers have slashed their prices and margins in an attempt to spark consumer demand.

Many retailers blame declining sales on the lack of new, innovative products—a complaint that has existed for about five years, since donut makers and hamburger makers decorated their shelves. But high interest rates have affected manufacturers, retailers and ultimately consumers, perhaps more than the absence of innovative appliance introductions.

Even in a tough year for the industry, one group of products is ahead of last year. Although griddles and quick grills are forecast to be off 5.3 percent from 1981 units, other cooking appliances are projected to be up. Deep fryers (2.5 percent), frypan/skillets (0.4 percent), hotplates and buffet ranges (4.0 percent), slow cookers (2.3 percent) and toaster ovens with broilers (0.3 percent) are ahead of 1981 figures, suggesting that smaller families are looking to limit oven use whenever possible when preparing meals.

KITCHEN ELECTRICS
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Appliance/TV Store	2.5%	2.4%	+0.1
Catalog Showroom	22.8%	21.7%	+1.1
Catalog Store (Sears, Penneys, etc.)	12.4%	10.9%	+1.5
Department Store	11.7%	12.8%	−1.1
Discount Store	28.9%	30.2%	−1.3
Drug Store	4.3%	4.8%	−0.5
Home Improvement Center	1.4%	1.2%	+0.2
Housewares/ Hardware Store	6.0%	6.7%	−0.7
Supermarket	2.2%	2.6%	−0.4
Variety Store	3.6%	4.5%	−0.9
Other	4.2%	2.2%	+2.0

Coffee makers and grinder shipments are projected to increase 0.1 and 2.7 percent, respectively. An interest in fresh-brewed coffee and ADC models with automatic timers and clocks is helping maintain momentum at the consumer level

Food processors fall off

Food processor shipments are predicted to be down 12 percent from last year, the first decrease recorded for the appliance since its debut in 1977.

The food processor has carved its niche in the food preparation area, and it is unlikely that such a steep decrease will continue next year. Consumer reaction to the new array of attachments that vendors are coming up with will have a great effect on the future of the food processor.

Food mixers, performing many of the functions of a food processor, are figured to drop 1.2 percent in units shipped this year over last year. Mixer vendors are also adding attachments to enhance the consumer appeal of their products.

Blenders are projected to come in at 4,654,000 units shipped, down 3.5 percent from 1981.

Countertop convection ovens, year-after-year forecast for substantial growth, are projected off 20.6 percent in units shipped for 1982, at 340,000 total. Vendors' and retailers' attempts to educate the consumer through demonstrations have failed to bring home the message about convection cooking. The price wasn't a deterring factor—a consumer could pay as low as $120 for a stripped-down unit. But most buyers have just not been receptive to carrying convection oven sku's this year.

Total iron shipments are estimated to be 10,917,000 units, a modest increase of 0.3 percent.

The decision to stop production of all-metal irons by three of the four major manufacturers has not affected the 1982 estimates. Full-feature lightweight model shipments could jump 1.8 percent this year, while the standard metal-bodied units will drop off by less than a percentage point in units shipped.

The "big four" vendors in the iron business will have some new competition to face in the total steam & steam/spray area. A Japanese competitor has come in with an all-metal-bodied iron after a successful first-half test market, and another appliance manufacturer has added a promotionally priced plastic-shell iron. These vendors are faced, however, with a strong, brand-loyal category.

Other products registering pluses in shipments this year are single-unit can openers, electric fondues and woks.

KITCHEN ELECTRICS
TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Bag Sealers	2,016,000	2,064,000	−2.3
Blenders	4,654,000	4,823,000	−3.5
Broilers, total	2,215,000	2,435,000	−9.0
With Rotisseries	390,000	420,000	−7.1
Without Rotisseries	1,825,000	2,015,000	−9.4
Can Openers, total	5,495,000	5,544,000	−0.9
Single Unit	2,997,000	2,954,000	+1.5
Combination Units	2,498,000	2,590,000	−3.6
Coffee Grinders	385,000	375,000	+2.7
Coffeemakers, total	12,662,000	12,655,000	+0.1
ADC	8,956,000	8,867,000	+1.0
Automatic (1-16 cup)	2,763,000	2,850,000	−3.1
Party Perc (over 16)	943,000	938,000	+0.5
Convection Ovens (countertop)	340,000	428,000	−20.6
Cornpoppers, total	5,816,000	5,777,000	+0.7
Hot Air	3,050,000	2,703,000	+12.8
Hot Oil, total	2,766,000	3,074,000	−10.0
Buttering	2,191,000	2,450,000	−10.6
Non-Buttering	575,000	624,000	−7.9
Crepe Pans	206,000	242,000	−14.9
Deep Fryers, total	3,027,000	2,952,000	+2.5
Mini	1,624,000	1,642,000	−1.1
Regular	1,403,000	1,310,000	+7.1
Egg Cookers	415,000	428,000	−3.0
Fondues (electric)	178,000	177,000	+0.6
Food Mixers, total	5,264,000	5,330,000	−1.2
Stand Type	1,255,000	1,281,000	−2.0
Portable, Hand Type	4,009,000	4,049,000	−1.0
Food Processors	2,804,000	3,186,000	−12.0
Food Slicers (electric)	491,000	535,000	−8.2
Frypans/Skillets (electric)	2,563,000	2,553,000	+0.4
Griddles/Quick Grills	549,000	580,000	−5.3
Hotplates & Buffet Ranges	839,000	807,000	+4.0
Ice Cream Makers	1,283,000	1,327,000	−3.3
Ice Crushers	190,000	196,000	−3.0
Irons, total	10,917,000	10,882,000	+0.3
Steam & Steam/ Spray, total	10,333,000	10,300,000	+0.3
Standard	5,750,000	5,800,000	−0.9
Full-Feature Lightweight	4,583,000	4,500,000	+1.8
Automatic Dry	381,000	382,000	−0.3
Travel	203,000	200,000	+1.5
Slicing Knives	1,624,000	1,672,000	−2.9
Slow Cookers	5,772,000	5,641,000	+2.3
Toasters, total	8,981,000	9,249,000	−2.9
Two-Slice	4,503,000	4,643,000	−3.0
Four-Slice	1,687,000	1,744,000	−3.3
Toaster Ovens (without Broilers)	833,000	909,000	−8.4
Toaster Ovens (with Broilers)	1,958,000	1,953,000	+0.3
Waffle Irons/ Sandwich Grills	1,112,000	1,141,000	−2.5
Woks (electric)	558,000	550,000	+1.5

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Massager shipments should climb as health care trend continues

EIGHTH ANNUAL
HOUSEWARES STATISTICAL
&
MARKETING
REPORT

PERSONAL CARE

Two health care products are expected to lead the personal care category in shipment gains this year: foot massagers/baths and hand-held massagers. Foot massagers/baths shipments should climb 10.8 percent, to 1,598,000 units, up from 1,442,000 the year before. Hand-held massager shipments are expected to rise 9.6 percent, to 1,030,000 shipped by the year-end.

Shower massager unit shipments are also forecast ahead in 1982, up one percent, to 2,131,000.

In beauty care, most categories are expected to show shipments decreasing. Manufacturers blame the lack of new items as a reason for the decline in this gift-oriented area. There is a manufacturer trend, however, to unify all items in a line with the same aesthetics and packaging, which could boost sales in the future.

Competition among vendors is heating up in the electric shaver area. With the reintroduction of a well-established foil-blade shaver into the market, promotional activity has been stepped up at the consumer level—especially toward first-time shavers. Vendors are also looking to lure dealers who have dropped the product because of previously poor margins.

Shaver shipments could total 6,225,000 units, up from 6,179,000 units in 1981. Men's shavers, with the help of strong Father's Day and fourth-quarter promotions, are expected to jump 2.4 percent in units shipped, to five million. Women's shaver shipments, however, are forecast to drop to 1,225,000, off 5.6 percent from a 1981 figure of 1,297,000 units.

PERSONAL CARE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Bathroom Scales, total	8,335,000	8,974,000	−7.1
Regular	7,000,000	7,670,000	−8.7
Digital	1,335,000	1,304,000	+2.4
Electric Blankets	5,233,000	5,161,000	+1.4
Curling Brushes	2,096,000	2,117,000	−1.0
Curling Brushes/ Styling Wands	6,200,000	6,339,000	−2.2
Dry	4,300,000	4,198,000	+2.4
Mist	1,900,000	2,141,000	−11.3
Facial Saunas	619,000	620,000	−0.2
Foot Massagers/Baths	1,598,000	1,442,000	+10.8
Hair Dryers, total	18,267,000	18,359,000	−0.5
Pistol	13,300,000	13,008,000	+2.2
Styling	4,000,000	4,308,000	−7.2
Hard Top	567,000	601,000	−5.7
Soft Bonnet	400,000	442,000	−9.5
Hair Setters, total	2,744,000	2,832,000	−3.1
Dry	1,532,000	1,565,000	−2.1
Mist	1,212,000	1,267,000	−4.4
Heating Pads	4,215,000	4,301,000	−2.0
Make-Up Mirrors	1,729,000	1,689,000	+2.4
Massagers, Hand-Held	1,030,000	940,000	+9.6
Massagers, Shower	2,131,000	2,110,000	+1.0
Oral Hygiene Devices, total	1,625,000	1,654,000	−1.8
Water Pulsators	1,091,000	1,114,000	−2.1
Electric Toothbrushes	534,000	540,000	−1.1
Shavers, total	6,225,000	6,179,000	+0.7
Men's	5,000,000	4,882,000	+2.4
Women's	1,225,000	1,297,000	−5.6

Elsewhere in personal care, digital bathroom scales continue to grab market share away from the traditional models. This year's shipments are predicted to be 1,335,000 units, up 2.4 percent over 1981. Electric blankets should increase to 5,233,000 units shipped this year.

Those beauty care products expected to post increases in 1982 include dry curling irons/styling wands and make-up mirrors (2.4 percent each) and pistol hair dryers (2.2 percent). Pistol units are the only hair dryers in the plus column.

PERSONAL CARE SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Catalog Showroom	31.2%	27.8%	+3.4
Catalog Store (Sears, Penneys, etc.)	6.5%	7.3%	−0.8
Department Store	8.5%	11.1%	−2.6
Discount Store	32.4%	31.8%	+0.6
Drug Store	14.3%	13.7%	+0.6
Housewares/ Hardware Store	4.5%	4.7%	−0.2
Variety Store	2.3%	3.5%	−1.2
Other	0.3%	0.1%	+0.2

HAIR DRYER SALES BY WATTAGE

	1982	1981	% Pt. Change
Less than 500	0.8%	1.0%	−0.2
500-750	3.8%	6.0%	−2.2
800-950	8.6%	13.0%	−4.4
1,000-1,200	58.8%	52.5%	+6.3
Over 1,200	28.0%	27.5%	+0.5

ELECTRIC SHAVER SALES BY RETAIL PRICE RANGE

	1982
Under $20	17.5%
$20-$34.99	35.0%
$35-$49.99	32.5%
$50-$75	14.0%
Over $75	1.0%

With the introduction of lower-wattage pistol units for the travel market, the race for more power might be plateauing. But *Merchandising*'s findings report that dryers in the 1,000-watt-plus category will jump 6.8 percent in units shipped by the year-end, compared with last year.

Low-end gas, charcoal grills spark healthy barbecue shipments

OUTDOOR PRODUCTS

Total barbecue grill shipments are projected to inch up slightly in units this year, to 12,366,000, an increase of 1.5 percent over 1981 totals. The growth areas in all grill categories have one factor in common: they are in the low end pricewise.

Gas grill shipments are expected to be up 8.3 percent in units shipped in 1982, reaching 1,600,000. Units priced between $175 and $200 show the most growth. With major manufacturers offering more value in the $100 to $200 price range, consumers are seeing less difference between these units and $300-plus models. The thickness of casting and the type of wood used for accessories may offer more quality in the $300 area, but this means little to most consumers.

For those consumers putting off a new grill purchase, vendors are providing accessories, p-o-p displays for parts and sales programs to encourage the do-it-yourselfer to fix up his existing grill.

Electric grills, many for indoor use, could rise 2.4 percent in units shipped this year, to 130,000. Most vendors admit the product is still a specialty, getting the bulk of distribution through department stores and other such outlets.

Low-end hibachis, picnic grills and braziers starting under $10 retail are experiencing sizeable gains, estimated at 7.5, 3.9 and 10 percent in units shipped this year, respectively.

However, other charcoal products, facing competition from gas equivalents, are falling off in 1982. Charcoal smokers, their share being eroded by both gas and electric models, are forecast to drop 10 percent to 2,775,000 units shipped. Charcoal wagon shipments are estimated at 164,000, a 21.5 percent drop in unit figures. Gas and electric models, almost meeting charcoal model prices, make it easy for consumers to switch.

OUTDOOR PRODUCTS TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Barbecue Grills, total	12,366,000	12,180,000	+1.5
Gas	1,600,000	1,477,000	+8.3
Electric	130,000	127,000	+2.4
Charcoal, total	10,636,000	10,576,000	+0.6
Braziers	1,128,000	1,025,000	+10.0
Fireplace	5,000	8,000	−37.5
Hibachis	2,464,000	2,293,000	+7.5
Picnic Grills	4,100,000	3,947,000	+3.9
Smokers	2,775,000	3,094,000	−10.3
Wagons	164,000	209,000	−21.5
Electronic Bug Killers	313,000	250,000	+25.0

L.P. gas dealers are expected to show an increase in market share. They could do as much as 10 percent of the grill business this year, up from 9.6 percent in 1981.

Electronic bug killer shipments are also reported to be strong this year, expecting to jump 25 percent in units from 1981. The market should reach 313,000 units shipped, compared with 250,000 last year. A season of heavy rain throughout the nation, bringing one of the highest insect counts in many years, is said to be causing the rise.

BARBECUE GRILL SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Appliance/TV Store	7.7%	9.0%	−1.3
Catalog Showroom	10.5%	9.8%	+0.7
Catalog Store (Sears, Penneys, etc.)	22.0%	21.4%	+0.6
Department Store	3.8%	4.4%	−0.6
Discount Store	30.7%	29.4%	+1.3
Home Improvement Center	6.8%	7.2%	−0.4
Housewares/ Hardware Store	5.0%	5.2%	−0.2
L.P. Gas Dealer	10.0%	9.6%	+0.4
Other	3.5%	4.0%	−0.5

BARBECUE GRILL SALES BY RETAIL PRICE RANGE

	1982	1981	% Pt. Change
Under $100	16.4%	15.7%	+0.7
$100-$200	43.5%	41.2%	+2.3
$201-$300	22.5%	21.8%	+0.7
$301-$400	14.3%	16.8%	−2.5
Over $400	3.3%	4.5%	−1.2

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Four out of six microwave cookware types post 1982 shipment gains

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REPORT

COOKWARE

Four out of six microwave cookware areas tracked could show gains for 1982, compared with 1981 figures. Even in a year when microwave oven sales have been off, cookware continues to move off shelves.

The saturation level, measuring the number of dwellings that have microwave ovens, has risen to about 25 percent—not the 28 percent that the industry had predicted a year ago. But the trend of continuing accessory purchases is logical, because microwave owners are becoming more confident with the cooking medium and are buying more items to use in their microwaves.

After receiving or purchasing a few utility pieces when buying the oven, the owner has gone out to supplement his collection. Many users have taken advantage of cooking classes (often free or inexpensive) from dealers. Retailers report they are forced to add new, more challenging classes to satisfy graduates of basic sessions.

If the cooking class or demo is a good one, users will be taught which types of cookware are best-suited for each dish.

Microwave oven purchasers have it much easier than the pioneers did only a few years ago. Their neighbor, relative or friend may have one, and can teach them about using the oven. This too has helped stimulate sales.

Total microwave cookware and bakeware shipments are estimated to be up 3.7 percent over 1981 figures, to 19,210,000 units shipped. Plastic items continue to lead the all microwave areas in forecast growth, with an estimated 7,706,000 units in 1982, up 5.4 percent over the 1981 period.

Ceramic projections follow in second place with a five percent rise in shipments expected. The glass category is estimated by manufacturers to be inching up 3.5 percent in shipments, to 4,320,000 units. Of all the microwave cookware types, glass is one of the more difficult for manufacturers to estimate. Obviously, glass products have been used for regular oven baking for many years. What vendors are estimating here is just how much glass shipped is intended primarily for microwave oven use.

COOKWARE SALES BY CATEGORY

	1982	1981	% Pt. Change
Inexpensive (light-gauge metal, etc.)	27.5%	27.0%	+0.5
Moderate (heavier-gauge metal with SilverStone or other non-stick surface)	50.5%	49.0%	+1.5
Expensive ("gourmet" items in copper, etc.)	22.0%	24.0%	−2.0

Metal-based microwave cookware is off 10 percent in projected units shipped for 1982. While vendors and retailers alike contend that the active appliance process will help establish the microwave oven as a primary cooking tool, rather than a supplementary one to the regular oven, price points ($15 retail and up) are keeping consumers away. The metal-based cornpoppers, coffee makers, pizza crispers, steamers and cooking racks are here to stay, but the consumers are resisting the purchase because they don't see the value at those price points.

Cookware business sags

Total metal cookware and bakeware shipments are predicted down 7.5 percent from last year, to 102,242,000 units. There was one bright spot, however. Stainless steel cookware climbed 0.5 percent, to 25,320,000 units shipped. The real story behind the increase for stainless, however, is the decrease in aluminum cookware, the largest category.

Aluminum shipments are expected to total 63,315,000 units, down 11.3 percent from 1981 totals of 71,381,000 units.

The most important reason for the decline is the economic conditions affecting the consumer. While buyers report a solid bridal business is being done—even in cookware and electrics—consumers are putting off their own cookware purchases if they think it possible.

Almost as responsible is the continued saturation of the non-stick market. Shipments of metal cookware coated with a "special" non-stick surface are projected at 44,911,000, a drop of 9.4 percent from 1981 figures.

The recent decision to permit an alteration in the SilverStone process, to be used on bakeware, will mean a lower cost for retailers and consumers alike. This may boost shipment totals above present projections. With the licensor's latest decision, is the introduction of SilverStone II far behind? Dealers are hoping for a way of putting margins back into the non-stick coated market.

Consumer purchases have skewed slightly toward more low-end cookware this year. Inexpensive cookware, such as light-gauge metal, is forecast to boost its share 0.5 percent. Moderate-priced cookware, such as heavier-gauge metal with non-stick surfaces, could also pick up 1.5 percent over last year. Expensive cookware, including copper and high-end stainless steel, will likely post a two percent drop in its share of market.

The reason? Vendors blame the economy for this one. Up until now, consumer interest in cookware has been skewing toward very high- or low-end merchandise.

Low-pressure models registered the only gain for the pressure cooker area, at 0.1 percent in units shipped over last year. Regular pressure cookers dropped 14.8 percent in shipments, to 1,643,000 units.

The pressure cooker area in 1981 was ahead of the 1980 period, with vendors reasoning that a poor economy rekindled interest in home canning. Consumers buying lesser-quality meats, they continued, would also be interested in pressure cookers. However, the trend did not build up enough steam to carry it into 1982.

COOKWARE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Metal Cookware and Bakeware, total	102,242,000	110,482,000	−7.5
Aluminum	63,315,000	71,381,000	−11.3
Stainless Steel	25,320,000	25,194,000	+0.5
Enamel	7,009,000	7,130,000	−1.7
Cast Iron	4,247,000	4,378,000	−3.0
Porcelain Enamel on Cast Iron	2,351,000	2,399,000	−2.0
Metal Cookware coated with a non-stick surface	44,911,000	49,571,000	−9.4
Microwave Cookware and Bakeware, total	19,210,000	18,528,000	+3.7
Plastic	7,706,000	7,311,000	+5.4
Ceramic	4,327,000	4,121,000	+5.0
Glass	4,320,000	4,174,000	+3.5
Stoneware	2,042,000	2,094,000	−2.5
Other	437,000	408,000	+7.1
Pressure Cookers, total	2,461,000	2,727,000	−9.8
Regular	1,643,000	1,910,000	−14.0
Low-Pressure	818,000	817,000	+0.1
Electric	294,000	326,000	−9.8
Non-Electric	2,167,000	2,401,000	−9.7

METAL COOKWARE SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Catalog Showroom	13.0%	12.0%	+1.0
Catalog Store (Sears, Penneys, etc.)	9.0%	9.0%	0.0
Department Store	18.0%	20.2%	−2.2
Discount Store	25.0%	24.8%	+0.2
Drug Store	2.0%	0.8%	+1.2
Gourmet/Gift Shop	10.5%	10.7%	−0.2
Housewares/Hardware Store	8.5%	8.8%	−0.3
Supermarket	6.0%	5.2%	+0.8
Variety Store	2.0%	2.3%	−0.3
Other	6.0%	6.2%	−0.2

MICROWAVE ACCESSORY SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Appliance/TV Store	8.0%	9.7%	−1.7
Catalog Showroom	8.0%	7.3%	+0.7
Catalog Store (Sears, Penneys, etc.)	18.4%	17.3%	+1.1
Department Store	10.7%	13.0%	−2.3
Discount Store	21.0%	20.5%	+0.5
Drug Store	4.0%	2.8%	+1.2
Housewares/Hardware Store	8.3%	8.0%	+0.3
Microwave Only	8.7%	9.7%	−1.0
Supermarket	6.3%	7.0%	−0.7
Variety Store	4.3%	3.5%	+0.8
Other	2.3%	1.2%	+1.1

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Oil-filled (+81%), kerosene (+53.4%) shipments shine in heater spotlight

EIGHTH ANNUAL
HOUSEWARES STATISTICAL
&
MARKETING
REPORT

AIR TREATMENT

Oil-filled and kerosene heaters are expected to record sizeable shipment gains over 1981, at the expense of the remaining portable heater categories. Oil-filled alone is predicted to jump 81 percent, to 400,000 units shipped this year; 220,000 units were shipped in 1981. Kerosene units will climb above the four million mark to 4,038,000, an increase of 53.5 percent over last year.

Retailers and manufacturers reported healthy results with oil-filled radiators this past winter, even though the units were priced over $100 retail. With the entry of at least six more manufacturers into the area, prices have dropped well below the $100 mark. With the drop in price points, the 36.7 percent share of market that department stores should enjoy with oil-filled products this year is likely to erode in 1983 as mass merchants play their follow-the-leader role.

Kerosene heaters are attracting more retailers around the country. Just seven states now forbid the sale of the heaters for use within dwellings.

Both oil-filled and kerosene heaters have presented consumers with a new, efficient way to save energy and reduce fuel bills. As a result, traditional heaters are expected to suffer. This includes quartz (shipments off 13.3 percent from 1981), non-fan-forced (−9.4 percent), fan-forced (−8.2 percent) and baseboard (−5.7 percent).

AIR TREATMENT TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Fans, total	19,681,000	19,283,000	+2.1
Window	5,604,000	5,537,000	+1.2
Kitchen/Bathroom Built-In Exhaust	3,250,000	3,043,000	+6.8
Range and Oven Hoods	2,415,000	2,410,000	+0.2
Desk, Bracket, Pedestal	2,511,000	2,472,000	+1.6
Hassock/ Roll-About	966,000	991,000	−2.5
Ceiling	4,935,000	4,830,000	+2.2
Portable Electric Heaters, total	4,322,000	4,551,000	−5.0
Oil-Filled	400,000	220,000	+81.0
Fan-Forced	2,533,000	2,760,000	−8.2
Non-Fan-Forced	154,000	170,000	−9.4
Baseboard	248,000	263,000	−5.7
Quartz	987,000	1,138,000	−13.3
Kerosene Heaters	4,038,000	2,633,000	+53.4
Humidifiers	899,000	869,000	+3.5
Vaporizers	1,791,000	1,747,800	+2.5
Air Purifiers, total	5,650,000	4,300,000	+31.4
Filtration Devices	5,100,000	N.A.	N.A.
Ionization Devices	550,000	N.A.	N.A.

The total fan area is forecast to be up 2.1 percent this year over last year. The biggest surprise comes from ceiling fans. Originally expected to climb above eight million units shipped, according to many manufacturers, they will not fare so well. The economy and its direct effect on homebuilding have caused industry shipments to inch up just 2.2 percent over 1981, to 4,935,000 units.

Air purifier shipments should continue their steady ascent this year, up 31.4 percent over 1981, to 5,650,000 units. The bulk of the holiday market is still expected to be in the under-$25 retail promotional range, but second-generation purchasers have been trading up to larger capacity models. Ionization-technology purifiers are also making their mark, expected to climb to 550,000 units shipped this year.

As the market for air purifiers increases, the average price of the units sold will rise also. Some companies are already looking toward doctors to prescribe high-end units for some patients.

For now, vendors are assuring steady growth by beefing up ad programs in the fourth quarter. More emphasis is being placed on replacement filter sales as well.

AIR TREATMENT SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Appliance/TV Store	1.0%	1.4%	−0.4
Catalog Showroom	12.7%	11.9%	+0.8
Catalog Store (Sears, Penneys, etc.)	18.0%	19.1%	−1.1
Department Store	9.9%	7.7%	+2.2
Discount Store	38.6%	40.0%	−1.4
Drug Store	4.7%	2.4%	+2.3
Home Improvement Center	3.4%	4.6%	−1.2
Housewares/ Hardware Store	11.7%	12.9%	−1.2

OIL-FILLED HEATER SALES BY TYPE OF OUTLET

	1982
Appliance/TV Store	1.3%
Catalog Showroom	15.0%
Catalog Store (Sears, Penneys, etc.)	8.3%
Department Store	36.7%
Discount Store	16.7%
Drug Store	0.7%
Home Improvement Center	3.0%
Housewares/Hardware Store	18.3%

Promotional activity, hand-held intros propel total vac shipments

FLOOR CARE

A flurry of promotional activity plus hand-held vacuum introductions by major sources jumping into that product category have pushed projected vacuum shipments ahead of last year by 0.9 percent, to 8,117,000 units this year. The 1981 figures, it should be noted, have been revised from those appearing in *Merchandising's* March 1982 60th Annual Statistical and Marketing Report.

To stimulate consumer spending, vendors have been promoting heavily both in national advertising and in-store, via giveaways and demonstrations. Total shipments have been kept stable because of these measures. Otherwise, the floor care market would have been much softer than what is now expected.

The front runner in projected shipment growth for 1982 is uncontested. Lightweight hand-held vacuum cleaner intros by major manufacturers are expected to generate shipment growth of 18.2 percent in this product area this year. Smaller families with smaller living quarters (and smaller storage spaces) are the primary target. Homeowners in search of a second vac for the second or third floor closet are a secondary mark. With prices not exceeding the $100 area, floor care vendors are optimistic this will be a healthy promotional category.

FLOOR CARE TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Vacuum Cleaners, total	8,117,000	8,041,000	+0.9
Canister	2,588,000	2,696,000	−4.0
Upright	4,077,000	3,887,000	+4.9
Lightweight, total	1,452,000	1,458,000	−0.4
Hand-Held	266,000	225,000	+18.2
Sticks	1,186,000	1,233,000	−3.8
Carpet Sweepers	1,536,000	1,499,000	+2.5
Floor Polishers	396,000	441,000	−10.2

European design is continuing to influence floor care products, especially in the canister area. Canisters, however, are forecast at 2,588,000 units shipped this year —a four percent drop from 1981 totals.

Uprights are expected to reach 4,077,000 units shipped, a rise of 4.9 percent from last year. Lightweight stick vac shipments could fall off modestly, to 1,186,000—down 3.8 percent from 1981 figures.

Carpet sweepers are estimated at 1,536,000 units shipped for all of 1982, an increase of 2.5 percent.

A 10.2 percent drop in units shipped is expected for floor polishers this year. Extraction systems, their figures not yet available, are like floor polishers. Shipments should increase in coming years as professional service and equipment rental fees continue to rise.

Floor care vendors agree on one point: Replacement market consumers are trading up to units with features that their old models lacked.

FLOOR CARE SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Appliance/TV Store	4.0%	4.2%	−0.2
Catalog Showroom	17.7%	16.8%	+0.9
Catalog Store (Sears, Penneys, etc.)	23.4%	22.4%	+1.0
Department Store	14.7%	18.4%	−3.7
Discount Store	16.3%	14.2%	+2.1
Door-to-Door	7.3%	6.8%	+0.5
Drug Store	0.3%	1.0%	−0.7
Furniture Store	1.3%	2.2%	−0.9
Home Improvement Center	1.3%	2.2%	−0.9
Housewares/ Hardware Store	3.7%	3.2%	+0.5
Vac Shop	8.0%	7.2%	+0.8
Other	2.0%	1.4%	+0.6

FLOOR CARE SALES BY RETAIL PRICE RANGE

	1982	1981	% Pt. Change
Under $70	33.0%	37.8%	−4.8
$70-100	24.0%	23.4%	+0.6
$101-$150	13.7%	12.0%	+1.7
Over $150	29.3%	26.8%	+2.5

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Dropping quartz prices boost clock shipments; consumers get greater choice of styles

EIGHTH ANNUAL
HOUSEWARES STATISTICAL
&
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REPORT

CLOCKS

Spurred by the use of battery quartz movements in every clock category—decorative wall, kitchen wall, alarm and desk/table/occasional—total clock shipments in 1982 are projected at 30,189,000 units, a two percent increase over 1981 totals.

Because quartz clock prices have come down more than 30 percent over the past few years, consumers are now able to purchase a quartz clock at the same price as an electric and some key-winds. The advantages of the quartz movement, without the price differential, has become a reason shoppers make it their choice at the register.

Alarm sales, however, have begun to level off after a few years of substantial growth. About 15,986,000 units are expected to be shipped this year, up only 0.7 percent from 1981's total of 15,880,000. The battery quartz category by itself is still going strong, forecast at 6,629,000 units shipped—an 8.8 percent rise in shipments from last year.

Price competition in the travel alarm category is even more acute this year, as imports from Hong Kong continue to mount, and undercut prices already low because of—you guessed it—quartz.

The decorative wall clock area should move 6,095,000 units in 1982, an increase of 4.9 percent over the 1981 period. The decrease in clock prices has meant bringing better wood and metal finishes below $40. The vast assortment of styles and colors present the consumer with the opportunity to choose the clock model to fit his decor, at lower price points. Kitchen clocks, projected at 7,146,000 units to be shipped this year, follow a similar pattern.

CLOCKS
TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Clocks, total	30,189,000	29,605,000	+2.0
Decorative Wall	6,095,000	5,808,000	+4.9
Electric	1,423,000	1,542,000	−7.7
Battery, total	4,395,000	3,978,000	+10.5
Quartz	3,944,000	3,515,000	+12.2
Non-Quartz	451,000	463,000	−2.6
Key-Wind	277,000	288,000	−3.8
Kitchen Wall, total	7,146,000	6,959,000	+2.7
Electric	2,737,000	2,994,000	−8.6
Battery, total	4,409,000	3,965,000	+11.2
Quartz	4,154,000	3,719,000	+11.7
Non-Quartz	255,000	246,000	+3.7
Alarm, total	15,986,000	15,880,000	+0.7
Electric	6,381,000	6,661,000	−4.2
Battery (Quartz)	6,629,000	6,093,000	+8.8
Key-Wind	2,976,000	3,126,000	−4.8
Desk/Table/ Occasional, total	962,000	958,000	+0.4
Electric	158,000	165,000	−4.2
Battery, total	610,000	568,000	+7.4
Quartz	524,000	483,000	+8.5
Non-Quartz	86,000	85,000	+1.2
Key-Wind	194,000	225,000	−13.8
Analog Clocks, total	24,222,000	23,614,000	+2.6
Decorative Wall	5,691,000	5,339,000	+6.6
Kitchen Wall	7,025,000	6,827,000	+2.9
Alarm	10,573,000	10,520,000	+0.5
Desk/Table/ Occasional	933,000	928,000	+0.5
Digital Clocks, total	5,967,000	5,991,000	−0.4
Decorative Wall	404,000	469,000	−13.9
Kitchen Wall	121,000	132,000	−8.3
Alarm	5,413,000	5,360,000	+1.0
Desk/Table/ Occasional	29,000	30,000	−3.3

CLOCK
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Catalog Showroom	19.2%	21.0%	−1.8
Catalog Store (Sears, Penneys, etc.)	16.0%	16.8%	−0.8
Department Store	11.2%	11.6%	−0.4
Discount Store	30.2%	28.2%	+2.0
Drug Store	6.0%	5.8%	+0.2
Furniture Store	1.4%	1.4%	0.0
Home Improvement Center	2.6%	2.2%	+0.4
Housewares/ Hardware Store	6.2%	5.8%	+0.4
Jewelry Store	4.8%	4.8%	0.0
Other	2.4%	2.4%	0.0

QUARTZ TRAVEL ALARM
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Catalog Showroom	29.8%	30.2%	−0.4
Catalog Store (Sears, Penneys, etc.)	10.2%	9.8%	+0.4
Department Store	14.9%	14.4%	+0.5
Discount Store	20.1%	20.6%	−0.5
Drug Store	8.4%	8.4%	0.0
Furniture Store	1.6%	1.6%	0.0
Home Improvement Center	3.0%	3.8%	−0.8
Housewares/ Hardware Store	4.2%	4.2%	0.0
Jewelry Store	7.2%	6.4%	+0.8
Other	0.6%	0.6%	0.0

One area vendors have hinted to watch is desk clocks. The variety of models, combined with quartz technology, should generate substantial growth over the next two to three years.

Key-wind movements may also do well because they add to the "antique" look of many desk/table/occasional clocks. A mounting interest in this area has already been felt in the European market.

The trend to analog away from digital continues. Decorative wall, kitchen wall and desk/table/occasional digital shipments have all dropped off. Alarms, however, posted a one percent gain over 1981 in digital, and also a 0.5 percent gain in analog units shipped.

Security-, energy-conscious consumers spur 15 percent jump in timer shipments

HOME SECURITY

Timers, undisputedly the star in *Merchandising*'s home security study this year, are forecast to show a 15 percent jump in shipments this year over 1981.

Timers remain an inexpensive way of maintaining that "lived-in" look at home when consumers are traveling or at work. Many people are still intimidated by intrusion systems in the $100 retail price range, or just won't spring for one until a burglary actually happens.

Retailers are still reporting a heavy seasonality for timers in the spring and summer months. But with the development of timers that also regulate appliances, such as air conditioners and heaters, sales are picking up in the fall and winter as well. The appeal for saving energy has helped timer shipments jump to an estimated 4,742,000 for 1982.

Intrusion systems are figured to be up slightly in units shipped this year, and so are smoke/fire/intrusion models. They are up 1.5 and 1.4 percent over 1981 figures, respectively. Strong vendor/retailer co-op advertising around the country has been boosting consumer awareness of the products.

Fire extinguishers are also reported up for the current year, to 4,875,000 units shipped compared with 4,710,000 in 1981.

HOME SECURITY
TOTAL FACTORY SHIPMENTS

	1982	1981	% of Change
Home Security, total	17,862,000	17,079,000	+4.6
Smoke Detectors, total	7,252,000	7,267,000	−0.2
Fire Extinguishers	4,875,000	4,710,000	+3.5
Intrusion Systems, total	618,000	609,000	+1.5
Timers	4,742,000	4,123,000	+15.0
Smoke/Fire/ Intrusion Combos	375,000	370,000	+1.4

Smoke detectors have just about stayed even with last year's totals, following a 13.2 percent increase in units shipped in 1981. State and local legislation requiring smoke detectors in dwellings has been the prime factor for shipments being expected to reach 7,252,000 units in 1982.

Maintaining the pace of over seven million smoke detector shipments a year will be a challenge to the industry. A continuing vendor education program should help drive home the message that more than one smoke detector is needed to ensure safety in the home and office.

Merchandising was unable to break out which security devices are being aimed at vacationers and business travelers, primarily because many of the so-called portable units being sold are simply home models with a hook accessory used to hang them over a hotel door.

HOME SECURITY
SALES BY TYPE OF OUTLET

	1982	1981	% Pt. Change
Catalog Showroom	10.5%	10.0%	+0.5
Catalog Store (Sears, Penneys, etc.)	17.0%	18.9%	−1.9
Department Store	3.5%	5.1%	−1.6
Discount Store	28.7%	25.2%	+3.5
Drug Store	3.0%	2.9%	+0.1
Electronic Specialty Store	2.5%	2.4%	+0.1
Housewares/ Hardware Store	13.7%	13.7%	0.0
Home Improvement Center	12.3%	13.3%	−1.0
Mail Order	2.0%	2.0%	0.0
Variety Store	1.0%	1.1%	−0.1
Other	5.8%	5.4%	+0.4

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COLUMBIA

AND NOW FOR SOMETHING COMPLETELY DIFFERENT (1972) Compilation of skits from Monty Python's Flying Circus. *Color PG C: $59.95.*

THE BOYS IN COMPANY C (1977) This drama about five men caught up in the Vietnam War was filmed in the Philippines. *Color R C: $59.95.*

ERASERHEAD (1977) Cult film about a couple and their deformed baby uses special effects to create an eerie and mysterious atmosphere. *Color C: $59.95.*

LE SEX SHOP The owners of an exotic book and paraphernalia shop get bored with their routine and use their merchandise to liven up their relationship. *Color R C: $59.95.*

QB VII (1974) Emmy award winning television adaptation of the Leon Uris novel is packaged in three cassettes. *Color C: $139.95*

TAXI DRIVER (1976) Controversial film in which a taxi driver goes on a rampage to rid New York City of its undesirable residents. *Color R C: $69.95.*

EMBASSY

GENEVIEVE (1953) British comedy centering on a car race in which two antique cars are entered. *Color 86 minutes C: $49.95.*

ROMEO & JULIET (1954) This version of the ever-popular love story features Laurence Harvey and Susan Shantall. *Color 138 minutes C:$49.95.*

A TALE OF TWO CITIES (1958) This version of the Charles Dickens classic stars Dirk Bogarde and Dorothy Tutin. *Color 120 minutes C: $49.95.*

MCA VIDEO

CONAN THE BARBARIAN (1982) Conan (Arnold Schwarzenegger) seeks revenge against Thulsa Doom (James Earl Jones) who murdered his parents. *Color 115 minutes R C: $85.95.*

THE HINDENBERG (1975) A fictional account of the tragic historic disaster stars George C. Scott and Anne Bancroft. *Color 125 minutes PG C: $60.95.*

INCOMING FRESHMAN (1979) A naive college freshman discovers very liberal activities and lifestyles during her first year at a co-ed college. *Color 84 minutes R C: $39.95.*

MEDIA

THE ADVENTURES OF THE WILDERNESS FAMILY (1976) Based on a true story, this movie depicts a modern-day family's exodus from Los Angeles to the wilderness. *Color 100 minutes G C: $59.95.*

DEVIL TIMES FIVE (1982) Five children—survivors of a bus crash—take revenge against the adults who committed them to a mental hospital. *Color 87 minutes R C: $49.95.*

PACIFIC ARTS

THE HUNGRY I REUNION Famous comedians including Bill Cosby and Phyllis Diller pay tribute to the San Francisco nightclub where they got their starts. *Color C: $69.95.*

20th CENTURY

DIAMONDS ARE FOREVER (1971) Sean Connery is James Bond in the first 007 movie to use American locations. *Color 119 minutes PG C:$69.95.*

A FUNNY THING HAPPENED ON THE WAY TO THE FORUM (1966) Set in ancient Rome, this comedy stars Zero Mostel, Phil Silvers, Jack Gilford and Buster Keaton. *Color 99 minutes C: $59.95.*

VESTRON

DICK CAVETT'S HOCUS POCUS IT'S MAGIC (1978) Dick Cavett brings together some of the best magicians. *Color 84 minutes.*

THE LAST CHASE (1980) A high speed race car driver (Lee Majors) protests the sterile society he lives in. *Color 106 minutes PG.*

VIDAMERICA

HEY ABBOTT (1978) Features the comedy duo—Abbott and Costello—in some of their most memorable skits. *Color and black and white 90 minutes G C: $59.95.*

JAMES DEAN—THE FIRST AMERICAN TEENAGER (1976) A retrospective look at the 1950's teen idol. *Color and black and white 83 minutes PG C:$59.95.*

KITTY FOYLE (1940) Ginger Rogers won an Oscar for her portrayal of this woman who is torn between love and her desire for business success. *Black and white C: $54.95.*

WARNER

CHARIOTS OF FIRE (1981) This year's Oscar winner relates the desires and passions of the participants in the 1924 Olympic games. *Color 124 minutes PG Rental Only.*

Top 50 revamped

Starting with this issue, *Merchandising's* Top 50 sports a new look and methodology. The new breakdowns are designed to keep pace with the changing focus and technology of the market. To keep the chart as up to date as possible, a Panel of Video Experts has been chosen. These retailers, the pick of the field, are contacted by phone just before press time to ensure results are current.

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

1. **Star Wars** *(20th Century-Fox)* **P**
2. **On Golden Pond** *(20th Century-Fox)* **G**
3. **Sharkey's Machine** *(Warner)*
4. **Ragtime** *(Paramount)*
5. **Absence of Malice** *(Columbia)*
6. **Stripes** *(Columbia)*
7. **True Confessions** *(MGM/UA)*
8. **Jane Fonda's Workout** *(Karl Video)*
9. **Making Love** *(20th Century-Fox)*
10. **Cat People** *(MCA)*
11. **Dragon Slayer** *(MCA)*
12. **Some Kind of Hero** *(Paramount)*
13. **Arthur** *(Warner)*
14. **Superman II** *(Warner)*
15. **Chariots of Fire** *(Warner)*
16. **Shoot the Moon** *(Warner)*
17. **Personal Best** *(Warner)*
18. **Cannery Row** *(MGM/UA)*
19. **The French Lieutenant's Woman** *(Columbia)*
20. **Taps** *(20th Century-Fox)*
21. **Rollover** *(Warner)*
22. **Goldfinger** *(20th Century-Fox)*
23. **Tarzan the Ape Man** *(MGM/UA)*
24. **Stir Crazy** *(Columbia)*
25. **Star Trek—The Motion Picture** *(Paramount)*
26. **For Your Eyes Only** *(20th Century-Fox)*
27. **Richard Pryor Live** *(Vestron)*
28. **Private Lessons** *(MCA)*
29. **Continental Divide** *(MCA)*
30. **9 to 5** *(20th Century-Fox)*

Top 10 in videocassette sales

	Last month's position	months on chart
1. **Jane Fonda's Workout** *(Karl Video)*	14	2
2. **Star Wars*** *(20th Century Fox)* **P**	—	—
3. **On Golden Pond** *(20th Century-Fox)* **G**	1	3
4. **Goldfinger** *(20th Century-Fox)* **G**	1	3
5. **Rocky II** *(20th Century-Fox)*	—	—
6. **True Confessions** *(MGM/UA)*	—	—
7. **Making Love** *(20th Century-Fox)*	—	—
8. **Cat People** *(MCA)*	—	—
9. **Dr. No** *(20th Century-Fox)*	—	—
10. **Paint Your Wagon** *(Paramount)*	—	—

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I—Golden Videocassette award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

***EDITOR'S NOTE:** Star Wars was listed by *Merchandising's* Panel of Video Experts as number two in videocassette sales, even though 20th Century-Fox claims it is not yet for sale.

Top 5 in CED videodisc sales

1. **On Golden Pond**
2. **Superman**
3. **Stripes**
4. **Dr. No**
5. **Diamonds Are Forever**

Top 5 in laserdisc sales

1. **Olivia—Physical** *(MCA)*
2. **Time Bandits** *(Paramount)*
3. **Elephant Parts** *(Pacific Arts)*
4. **The Four Seasons** *(MCA)*
5. **Black Stallion** *(20th Century-Fox)*

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75th ANNIVERSARY

A GRALLA PUBLICATION

OCTOBER 1982

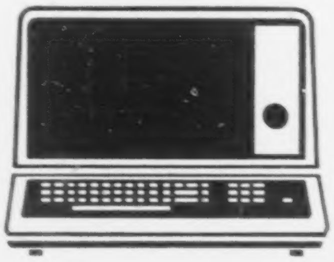
Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

The Coming Boom in Personal Computers

Merchandising readers (representing 650 firms operating 8,274 stores doing $4.65 billion) reveal their plans to jump into or expand in tomorrow's hottest category

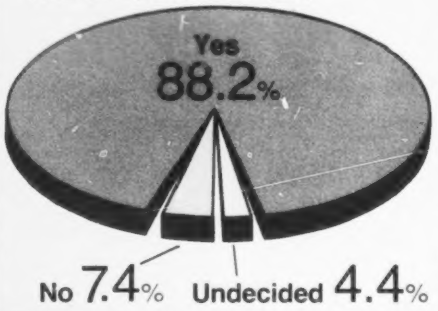
Do you now carry or do you plan to carry personal computers? (Based on 8,274 stores)



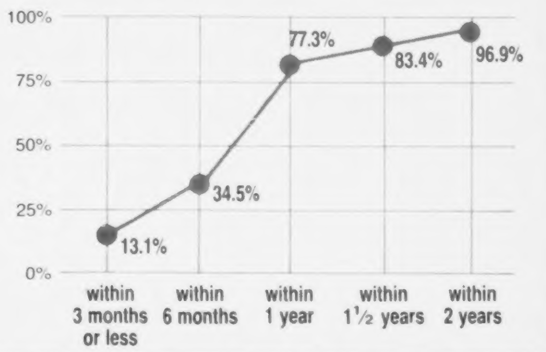
NOW CARRY	10.8%
PLAN TO CARRY	53.9%
NOW CARRY OR PLAN TO CARRY	64.7%

If you now carry personal computers, what change do you expect in volume in 1982? (Based on 42 replies) **+79.6%**

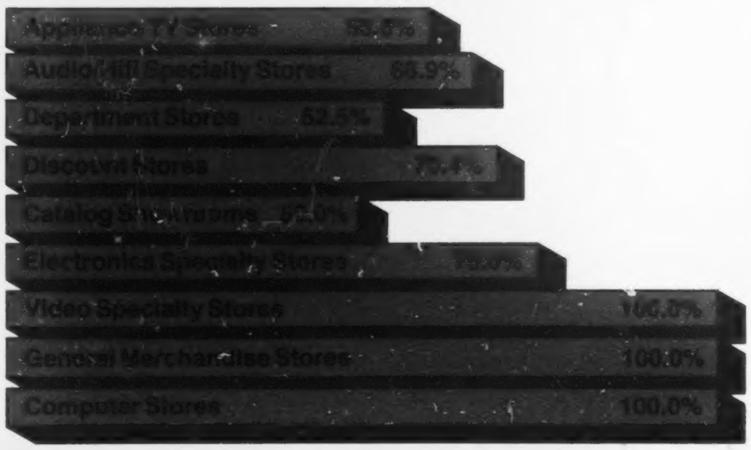
If you now carry personal computers, do you plan to expand your offerings in this category in 1982-83? (Based on 135 replies)



If you do not carry but plan to add personal computers, when do you expect to do so? (Based on 229 replies)



Do you now carry or do you plan to carry personal computers? (Based on 650 replies)



Also in this issue:

- **Renting microwaves can help blaze new frontiers in market penetration**
- **Solomon J. Cooper lays down the law on employee loans, leaves, vacations and resignations**
- **Who's Selling Electronics? Manufacturers break down sales by type of retail outlet**
- **Retailers report: Digital alarms and wall clocks lead the parade in sales**
- **Merchants compare techniques at Video Software Dealers Association inaugural conference**

OCTOBER 1982

Merchandising

FOR OVER 55,700 RETAILERS & WHOLESALERS
Vol. 7, No. 10

75th ANNIVERSARY

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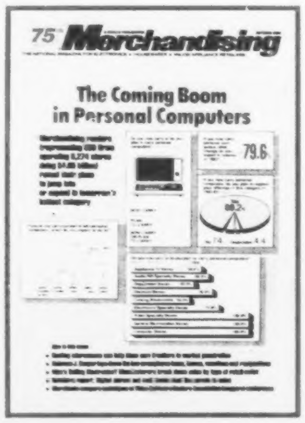
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Publisher's Note

If you missed last month's special videogame section, or if you want extra copies, they are available by contacting Jared Liebowitz, publisher, *Merchandising*, 1515 Broadway, New York, NY 10036. Phone 212/869-1300.

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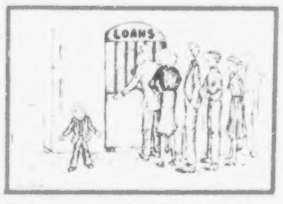

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Executive Office: 1515 Broadway, New York, NY 10036 212/869-1300

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Lee Rath . . . . editor
Aaron Neretin . . editorial and marketing consultant

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Managing Editor . . . . . Nancy Markov
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SALES OFFICES
Eastern Regional Office:
1515 Broadway, NY 10036
Susan Matthews (212) 869-1300
Midwest Regional Office:
3525 W. Peterson Ave.,
Chicago, IL 60659
Robert Sarra, II (312) 463-1102
West Coast Regional Office:
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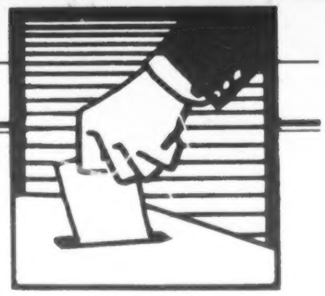
PERSONAL ELECTRONICS/RETAIL OPINION FILE



61.1% of readers polled have or plan to offer personal computers within the next few years

By Bill DeSiena, associate editor

NEW YORK—Here it comes! The boom in personal computer retailing is approaching like a tidal wave.

While today, consumers might have to think twice about where to go to make that first computer purchase, in the near future, they should be able to choose among a wide variety of stores.

More importantly, these stores will represent many types of retail outlets. Consumers who want the full services of a specialty computer store will, of course, be able to shop there.

However, those that prefer to deal with their local audio/hifi specialty store, video dealer or electronics store will find they can buy their computers at those stores. And consumers that want the price advantages offered by a discount house or catalog showroom will probably be able to find computers there as well.

Of the 650 retailers (representing 8,274 stores) polled for *Merchandising's* latest Retail Opinion File, a sturdy 20.8 percent now carry personal computers.

Even more enlightening, however, is the fact that 40.3 percent of those 650 retailers are laying plans to stock computers sometime in the future. That means that 61.1 percent of the retailers represented in the survey have or will have computers on their shelves—and soon.

Looking at the 8,274 stores these retailers represent, a mere 10.8 percent of them actually have computers in stock today. But that should balloon to 64.7 percent in the near future.

Prices are tumbling

Why the boom? One reason is the drop in price personal computers have experienced this year.

Consumers can now buy a basic hardware system for well under $200. One manufacturer, Timex Sinclair, even has a unit for sale for under $100 retail, and has expressed a goal of selling it through a broad variety of retail outlets.

Undoubtedly, these falling prices have accelerated the entrance of many retailers into the computer category.

At present, general merchandise and video specialty stores are the most enthusiastic computer merchandisers among the retailers polled, followed by electronics specialty stores and audio/hifi specialty stores.

Among those planning to enter the business soon, discount stores, appliance/TV stores, department stores and audio/hifi specialty stores appear most eager to get involved.

Those retailers that are already involved today are enthusiastic about the personal computer business. They predicted that their hardware dollar volume will jump 79.6 percent this year compared with last year. Peripheral sales are expected to climb 78.7 percent and software sales 106.3 percent in the same period.

Such rapid growth is being caused by several factors. Of course, the general public is becoming much better attuned to the possibilities of computer ownership. It's hard to pick up a consumer magazine or even a newspaper today without coming across a computer ad or even stories focusing in on personal computers. Even TV viewers this year would find it difficult to keep from learning about computers with the large number of ads being run.

In addition, so many of the retailers polled are recent converts to the business that the category's

(Continued on page 18)

Characteristics of the sample:

Type of responding company:

	Number of replies	Percent of response
Appliance/TV Store	415	63.8%
Audio/Hifi Specialty Store	142	21.8
Department Store	40	6.2
Discount Store	27	4.2
Catalog Showroom	10	1.5
Electronics Specialty Store	8	1.2
Video Specialty Store	3	0.5
General Merchandise Store	3	0.5
Computer Store	2	0.3
Total	650	100.0%

Number of stores owned/operated:

	Companies		Stores	
	Number	Percent	Number	Percent
Single-unit	435	66.9%	435	5.3%
Multi-unit	215	33.1	7,839	94.7
Total	650	100.0%	8,274	100.0%

Replies by region:

	Number of replies	Percent of response
Northeast	125	19.5%
North Central	198	30.9
South Atlantic	99	15.5
South Central	113	17.7
West	102	15.9
Puerto Rico, Canada	3	0.5
Total	640	100.0%

Replies by sales volume:

	Number of replies	Percent of response
Under $100,000	23	4.2%
$100,000 - $249,999	48	8.7
$250,000 - $499,999	160	29.1
$500,000 - $999,999	137	24.9
$1 million - $4,999,999	129	23.5
$5 million - $19,999,999	30	5.4
$20 million or over	23	4.2
Total	550	100.0%

Total 1981 sales volume for sample .... $4.65 billion

Expected change in 1982 .... + 11.4%

Replies by size of selling/display area:

	Number of replies	Percent of response
Under 1,000 sq. ft.	49	7.9%
1,000 - 2,999 sq. ft.	295	47.5
3,000 - 4,999 sq. ft.	144	23.1
5,000 - 6,999 sq. ft.	47	7.6
7,000 - 9,999 sq. ft.	18	2.9
10,000 or more sq. ft.	68	11.0
Total	621	100.0%

Average selling/display area .... 6,237.8 sq. ft.

Retailers who carry or plan to carry personal computers:

Percent of respondents carrying or planning to carry personal computers. (Based on 650 replies)

		Percent of companies		
	Total	Carry or plan to carry personal computers	Now carry personal computers	Plan to carry personal computers
Single-unit companies	435	56.8%	18.2%	38.6%
Multi-unit companies	215	69.8	26.1	43.7
Total	650	61.1%	20.8%	40.3%

Percent of stores carrying or planning to carry personal computers. (Based on 8,274 stores)

		Percent of stores		
	Total	Carry or plan to carry personal computers	Now carry personal computers	Plan to carry personal computers
Stores	8,274	64.7%	10.8%	53.9%

Percent of respondents carrying or planning to carry personal computers, broken down by type of outlet. (Based on 650 replies)

		Percent of companies		
	Total	Carry or plan to carry personal computers	Now carry personal computers	Plan to carry personal computers
Appliance/TV Store	415	58.6%	17.2%	41.4%
Audio/Hifi Specialty Store	142	66.9	28.2	38.7
Department Store	40	52.5	12.5	40.0
Discount Store	27	70.4	25.9	44.5
Catalog Showroom	10	50.0	20.0	30.0
Electronics Specialty Store	8	75.0	62.5	12.5
Video Specialty Store	3	100.0	100.0	0.0
General Merchandise Store	3	100.0	0.0	100.0
Computer Store	2	100.0	100.0	0.0
Total	650	61.1%	20.8%	40.3%

Retailers look to computer vendors for help

(Continued from page 16)

growth is bound to be rapid.

For example, 48.8 percent of the dealers who are selling personal computers entered in the business within six months of the day they answered the questionnaire. Another 16.5 percent had been selling computers for from seven months to a year.

Are they happy? When asked whether they expected to expand the category in 1982-83, a whopping 88.2 percent said yes.

Many need guidance

It is obvious, however, that many of these retailers who will be rushing into the computer market in the next few years are going to need a lot of help. For this, they are going to look to the manufacturers and distributors for everything from sales training to p-o-p displays to guidance as to what to stock.

Training the salesmen is going to be of utmost importance. Of these dealers who say they plan to carry home computers in the future, 88.2 percent say they will have trained salesmen on hand. This compares with 68.4 percent of the present-day computer vendors that offer trained sales help. And of them, only 53.8 percent said they had had training aid from their suppliers.

An executive with an audio/hifi store that stocks one brand of computers noted that he had received no help in training his sales force. A Kansas City-based retailer, having entered the business in May, complained that his salespeople "don't know enough about computers to sell them properly."

"I find that the sales reps aren't knowledgeable enough about the products, to the point where they can explain them to my sales force," said an electronics/jewelry retail executive from Virginia. "If my salespeople cannot be professional on the floor, it will be difficult to sell to the public."

The dealers also asked for better ways to demonstrate a system's capabilities and a larger source of ideas they could offer their customers on how to use the computers once they get them home.

Another source of confusion centered around how much space was necessary to launch a successful computer department.

Some 30 percent, the largest segment, of the retailers planning to enter the market said they thought they would have to allot from 200 to 499 sq. ft. of floor space to computers. Yet the largest group of dealers already selling computers, 26.7 percent, said they devote only 25 to 99 sq. ft. of space to the category.

Asked about software, 52.3 percent of the retailers who said they do plan to offer computers indicated they plan to stock programming as well. Yet they showed a willingness to carry only a limited number of titles. For example, 27.9 percent said they plan to offer nine or even fewer.

There was also some confusion about retail price ranges, with those

Retailers who carry personal computers:

Do you now carry personal computers? (Based on 650 replies)

	Number of replies	Percent of response
Yes	**135**	**20.8%**
No	**515**	**79.2%**
Total	**650**	**100.0%**

What was your total volume in personal computers for each of the following categories in 1981? What change (percent) do you expect in 1982?

	Hardware	Peripherals	Software
Average dollar sales in '81 per respondent	**$316,610**	**$558,412**	**$119,517**
Expected change in '82	**+ 79.6%**	**+ 78.7%**	**+ 106.3%**
Number of replies	**42**	**35**	**39**

What is your best selling retail price for personal computers? (Based on 128 replies)

	Number of replies	Percent of response
Under $250	**4**	**3.1%**
$250 - $299	**41**	**32.0**
$300 - $399	**28**	**21.9**
$400 - $799	**20**	**15.6**
$800 - $1,499	**14**	**11.0**
$1,500 - $2,499	**10**	**7.8**
$2,500 - $2,999	**7**	**5.5**
$3,000 or more	**4**	**3.1**
Total	**128**	**100.0%**

Average (mean) best selling retail price $833.75
Average (median) best selling retail price $328.40

Which of the following brands of personal computers do you stock? (Based on 135 replies)

	Number of replies	Percent of response
Commodore	**88**	**65.2%**
Atari	**73**	**54.1**
Apple	**24**	**17.8**
***Texas Instruments**	**14**	**10.4**
Timex Sinclair	**9**	**6.7**
***Zenith**	**3**	**2.2**
***NEC**	**3**	**2.2**
***Hewlett Packard**	**2**	**1.5**
***Altos**	**2**	**1.5**
***Sharp**	**2**	**1.5**
***Bally**	**2**	**1.5**
****Others**	**9**	**6.7** *******

***Not on questionnaire.**
****Nine others mentioned one time each.**
*****Adds to more than 100% due to multiple replies.**

How long have you been selling personal computers? (Based on 133 replies)

	Number of replies	Percent of response
6 months or less	**65**	**48.8%**
7 to 12 months	**22**	**16.5**
13 to 18 months	**10**	**7.5**
19 to 24 months	**10**	**7.5**
25 to 30 months	**9**	**6.8**
31 to 36 months	**7**	**5.3**
37 to 48 months	**7**	**5.3**
More than 48 months	**3**	**2.3**
Total	**133**	**100.0%**

In your average store, approximately how many square feet of space do you allot to personal computers? (Based on 131 replies)

	Number of replies	Percent of response
Under 25 sq. ft.	**29**	**22.1%**
25-99 sq. ft.	**35**	**26.7**
100 - 199 sq. ft.	**21**	**16.0**
200 - 499 sq. ft.	**25**	**19.1**
500 - 999 sq. ft.	**13**	**9.9**
1,000 - or more sq. ft.	**8**	**6.2**
Total	**131**	**100.0%**

Average size of area allotted to personal computers 250.7 sq. ft.

Which of the following are the three most popular peripherals? (Based on 106 replies)

	First		Second		Third		In Top 3
Cassette player	**(51)**	**48.1%**	**(13)**	**12.3%**	**(6)**	**5.7%**	**66.1%**
Floppy disk drive	**(22)**	**20.7**	**(17)**	**16.0**	**(26)**	**24.5**	**61.2**
Expanded memory modules	**(14)**	**13.2**	**(29)**	**27.4**	**(18)**	**17.0**	**57.6**
Printer	**(13)**	**12.3**	**(22)**	**20.7**	**(25)**	**23.5**	**56.5**
CRT	**(6)**	**5.7**	**(11)**	**10.4**	**(4)**	**3.8**	**19.9**
Telephone modem	**(0)**	**0.0**	**(4)**	**3.8**	**(14)**	**13.2**	**17.0**
Not indicated	**———**	**———**	**(10)**	**9.4**	**(13)**	**12.3**	**———**
Total	**(106)**	**100.0%**	**(106)**	**100.0%**	**(106)**	**100.0%**	**———**

Are you using trained salespeople to sell personal computers? (Based on 133 replies)

	Number of replies	Percent of response
Yes	**91**	**68.4%**
No	**42**	**31.6**
Total	**133**	**100.0%**

If you are using trained salespeople, does the manufacturer help train them? (Based on 91 replies)

	Number of replies	Percent of response
Yes	**49**	**53.8%**
No	**42**	**46.2**
Total	**91**	**100.0%**

Do you plan to expand your personal computer merchandise in 1982-83? (Based on 135 replies)

	Number of replies	Percent of response
Yes	**119**	**88.2%**
No	**10**	**7.4**
Undecided	**6**	**4.4**
Total	**135**	**100.0%**

not yet involved in the industry showing that they perceive them to be higher than they really are.

About 23.9 percent of the "plan to carry" group figured their best-selling retail price for computers without peripherals would fall between $300 and $499.

Meanwhile, 32 percent of those who already carry computers said the hottest price point actually ranges from $250 to $299.

Retailers planning to get into the market said they expected to stock Atari, Commodore, Apple, Mattel and Timex Sinclair computers first (in that order), followed by a variety of other brands.

Those already selling computers stock Commodore, Atari, Apple, Texas Instruments and Timex Sinclair most often (in that order), again, followed by a number of other brands.

(*Editor's note:*

It should be noted that Mattel is not yet manufacturing a home computer other than the basic Intellivision videogame. However, the recent news that the firm is considering adding an expanded module to upgrade the unit to a home computer along with speculation that a separate computer system might be introduced at a later date, could be reasons why 41 dealers said they would like to carry a Mattel model.)

Cassette players top list

Would-be computer dealers reported that the top three peripherals they would consider carrying are printers, floppy disk drives and then expanded memory modules. However, the most popular peripherals, said merchants who carry them, are cassette players, floppy disk drives and expanded memory modules, in that order. Cassette players ranked number five on the prospective dealers' lists.

Obviously, the excitement of the retailers who plan to get involved in home computers is accompanied by a good deal of confusion and a lot of questions about the product and the industry. These are questions that must be answered before the dealers can stake their claim in this booming category.

But the interest is there. Thousands of stores are getting ready to make their move into computers. The market is ready. The boom is coming.

STATISTICAL MATTER for this survey was collected and compiled by **Selma Book**, market research manager, and **Roberta Janasz**, research associate.

Retailers who plan to carry personal computers:

Are you considering stocking personal computers in the future? (Based on 515 replies)

	Number of replies	Percent of response
Yes	262	50.9%
No	253	49.1
Total	515	100.0%

If you are considering stocking personal computers in the future, how soon? (Based on 229 replies)

	Number of replies	Percent of response
Within 3 months or less	30	13.1%
Within 6 months	79	34.5
Within 1 year	177	77.3
Within 1½ years	191	83.4
Within 2 years	222	96.9

In your (average) store, how many square feet of space are you likely to allot to personal computer sales? (Based on 209 replies)

	Number of replies	Percent of response
Under 25 sq. ft.	25	12.0%
25 - 99 sq. ft.	32	15.3
100 - 199 sq. ft.	45	21.5
200 - 499 sq. ft.	61	29.2
500 - 999 sq. ft.	38	18.2
1,000 or more sq. ft.	8	3.8
Total	209	100.0%

Average number of square feet to be allotted to personal computer sales per respondent .... 255.2 sq. ft.

How many different personal computers are you likely to carry? (Based on 194 replies)

Different computers	Number of replies	Percent of response
One	50	25.8%
Two	76	39.1
Three	50	25.8
Four	13	6.7
More than four	5	2.6
Total	194	100.0%

Average number of different computers respondents are likely to carry 2.3

Which of the following brands of personal computers will you stock at first? (Based on 218 replies)

	Number of replies	Percent of response
Atari	120	55.0%
Commodore	91	41.7
Apple	80	36.7
Mattel	41	18.8
Timex Sinclair	25	11.5
*Zenith	20	9.2
*Texas Instruments	10	4.6
*NEC	6	2.8
*Panasonic	4	1.8
*IBM	3	1.4
*Hewlett Packard	2	0.9
*Quasar	2	0.9
*Sony	2	0.9
**Others	10	4.6
		***

*Not on questionnaire.
**Ten others mentioned one time each.
***Adds to more than 100% due to multiple replies

What do you expect will be your best selling retail price for personal computers (excluding peripherals)? (Based on 151 replies)

	Number of replies	Percent of response
Under $250	7	4.6%
$250 - $299	25	16.6
$300 - $499	36	23.9
$500 - $699	30	19.9
$700 - $999	15	9.9
$1,000 - $1,499	13	8.6
$1,500 - $2,499	12	7.9
$2,500 or more	13	8.6
Total	151	100.0%

Average best selling retail price (mean) $854.37
Average best selling retail price (median) $553.33

Which of the following peripherals would you be interested in carrying? (Based on 193 replies)

	Number of replies	Percent of response
Printer	162	83.9%
Floppy disk drive	131	67.9
Expanded memory modules	130	67.4
CRT	125	64.8
Cassette player	125	64.8
Telephone modem	98	50.8
		*

***Adds to more than 100% due to multiple replies.**

Will you stock software? (Based on 130 replies)

	Number of replies	Percent of response
Yes	68	52.3%
No	62	47.7
Total	130	100.0%

If you do plan to stock software, how many different titles will you carry? (Based on 68 replies)

	Number of replies	Percent of response
1 - 9 titles	19	27.9%
10-19 titles	17	25.0
20 - 29 titles	17	25.0
30 - 50 titles	7	10.3
More than 50 titles	8	11.8
Total	68	100.0%

Average number of titles 27.4

Do you plan to have trained salespeople selling personal computers? (Based on 246 replies)

	Number of replies	Percent of response
Yes	217	88.2%
No	29	11.8
Total	246	100.0%

EMBASSY

AN EYE FOR AN EYE (1981) Stars Chuck Norris as an undercover policeman fighting San Francisco's underworld and high society. Also stars Christopher Lee and Richard Roundtree. *Color R C: $59.95.*

ESCAPE FROM NEW YORK (1981) New York in 1997 is a maximum security prison where the president is being held by the inmates after his plane crashes in Manhattan. *Color 100 minutes R C: $59.95.*

MCA VIDEO

CHERRY HILL HIGH (1976) On a summer bicycle trip, five co-eds create a contest to see who can lose their virginity in the most original manner. Their prim chaperone, surprisingly, agrees to be the judge. *Color 86 minutes R C: $39.95.*

DEAD MEN DON'T WEAR PLAID (1981) Steve Martin stars as a 1940's private eye in this comic story, which integrates clips from old detective movies. Also stars Rachel Ward, Reni Santoni and Carl Reiner. *Color 91 minutes PG C: $85.95.*

SLAUGHTERHOUSE FIVE (1972) The film adaptation of Kurt Vonnegut Jr.'s best selling novel of a man who has the ability to jump back and forth in time. It stars Michael Sacks and Valerie Perrine. *Color 104 minutes R C: $39.95.*

THE SWORD AND THE SORCERER (1982) Seeking to avenge the death of his family, Prince Talon (Lee Horsley) battles the evil Cromwell and his Sorcerer played by Richard Lynch and George Maharis. *Color R 100 minutes C: $85.95.*

WOODY WOODPECKER AND HIS FRIENDS Cartoon collection includes 10 classics: Knock Knock, Bandmaster, Ski for Two, Hot Noon, Legend of Rockabye Point, Wet Blanket Policy, To Catch a Woodpecker, Musical Moments From Chopin, Bats in the Belfry and Crazy Mixed Up Pup. *Color 80 minutes C: $60.95.*

MGM/UA

THE COMPLEAT BEATLES (1982) A film documentary about the Beatles and their music. It includes rare film footage, interviews and a wide selection of musical performances. *Color 120 minutes C: $69.95 CED: $29.95.*

VESTRON

AGENCY (1979) An advertising agency uses subliminal messages to manipulate audience behavior and opinion. Stars Lee Majors, Robert Mitchum and Valerie Perrine. *Color 93 minutes R.*

BENJI (1977) The movie that made this lovable dog a superstar is a comedy, adventure and romance all in one. *Color 87 minutes G.*

BETWEEN THE LINES (1977) Explores the attitude changes that occur among a group of friends working on a small alternative newspaper. Stars John Heard and Marilu Henner. *Color 101 minutes R.*

HAWMPS (1976) The story of how the West was almost won by the U.S. Cavalry on camels rather than horses. Stars James Hampton and Christopher Connelly. *Color 120 minutes G.*

SILENT PARTNER (1977) Suspense thriller that won six Canadian film awards. Stars Elliot Gould, Christopher Plummer and Susannah York. *Color 103 minutes R.*

THORN

EVIL UNDER THE SUN (1981) Peter Ustinov portrays detective Hercule Poirot in this film adaptation of Agatha Christie's "who done it." *Color 102 minutes PG C: $79.95.*

ELVIRA MADIGAN Swedish film about two lovers lost in a self-absorbed romance. *Color 90 minutes PG C: $59.95.*

LAVENDER HILL MOB (1951) Alec Guiness is a shy bank clerk who conspires with a frustrated sculptor (Stanley Holloway) to steal one million pounds of gold bars from the Bank of England. *Black and white 78 minutes C: $59.95.*

VCI

NIGHTMARE IN WAX (1969) A madman turns the visitors to his museum of horrors into frozen wax figures. *Color 95 minutes C: $49.95.*

REDEEMER (1977) Six classmates, all considered sinners, are chosen to attend a reunion, unaware that they will each meet their deaths in gruesome and graphic ways.

TERROR (1979) A mysterious force exerts supernatural kinetic powers upon members of an entire family who meet with violent deaths by objects hurled through the air. *Color 85 minutes R C: $54.95.*

TOWER OF EVIL (1972) A crazed madman kills off the visitors to a small island off the coast of England, including a group of unsuspecting archaeologists searching for ancient gold. *Color 86 minutes R C: $54.95.*

Merchandising's TOP 50 FIFTY

Top 30 in videocassette rentals

	Last month's position	Months on chart
1. **Chariots of Fire** *(Warner)*	15	2
2. **Star Wars** *(20th Century-Fox)* P	1	2
3. **Arthur** *(Warner)*	13	2
4. **Cat People** *(MCA)*	10	2
5. **Jane Fonda's Workout** *(Karl Video)*	8	2
6. **On Golden Pond** *(20th Century-Fox)* GI	2	2
7. **Taxi Driver** *(Columbia)*	—	1
8. **True Confessions** *(MGM/UA)*	7	2
9. **Some Kind of Hero** *(Paramount)*	12	2
10. **Ragtime** *(Paramount)*	4	2
11. **Absence of Malice** *(Columbia)*	5	2
12. **Sharkey's Machine** *(Warner)*	3	2
13. **Excaliber** *(Warner)*	—	1
14. **Cannery Row** *(MGM/UA)*	18	2
15. **Body Heat** *(Warner)*	—	1
16. **Boys in Company C** *(Columbia)*	—	1
17. **Butterfly** *(Vestron)*	—	1
18. **Rocky** *(20th Century-Fox)*	—	1
19. **Conan the Barbarian** *(MCA)*	—	1
20. **Personal Best** *(Warner)*	17	2
21. **Making Love** *(20th Century-Fox)*	9	2
22. **The French Lieutenant's Woman** *(Columbia)*	19	2
23. **Dragonslayer** *(Paramount)*	—	1
24. **Private Lessons** *(MCA)*	28	2
25. **The Seduction** *(Media)*	—	1
26. **Rollover** *(Warner)*	21	1
27. **Eyewitness** *(20th Century-Fox)*	—	1
28. **Prince of the City** *(Warner)*	—	1
29. **Partners** *(Paramount)*	—	1
30. **Caddyshack** *(Warner)* G	—	1

Top 10 in videocassette sales

1. **Jane Fonda's Workout** *(Karl Video)*	1	3
2. **Arthur** *(Warner)*	—	1
3. **Star Wars** *(20th Century-Fox)* P	2	2
4. **On Golden Pond** *(20th Century-Fox)* GI	3	2
5. **Cat People** *(MCA)*	8	2
6. **Rocky II** *(20th Century-Fox)*	5	2
7. **Taxi Driver** *(Columbia)*	—	1
8. **Star Trek: The Wrath of Khan** *(Paramount)*	—	1
9. **Abbott and Costello Meet Frankenstein** *(MCA)*	—	1
10. **Winnie the Pooh** *(Disney)* I	—	1

G—Title has gone gold—has sold 25,000 on disc and/or cassette and has sales of at least $1 million. (RIAA/Video)

P—Title has gone platinum—has sold 50,000 on disc and/or cassette and has sales of at least $2 million. (RIAA/Video)

I—Golden Videocassette award—has audited return of sales or rentals of $1 million unless company has a return policy. Then, the allowance must be deducted from the gross revenue. (ITA)

Top 5 in CED videodisc sales

1. **On Golden Pond** *(20th Century-Fox)* G	1	2
2. **Stripes** *(Columbia)*	—	1
3. **Jane Fonda's Workout** *(RCA)*	—	1
4. **Dr. No** *(20th Century-Fox)*	4	2
5. **Star Wars** *(20th Century-Fox)* P	—	1

Top 5 in laserdisc sales

1 **Star Wars** *(20th Century-Fox)* P	—	1
2. **Olivia—Physical** *(MCA)*	1	2
3. **Time Bandits** *(Paramount)*	2	2
4. **The Jazz Singer** *(Paramount)*	—	1
5. **Black Stallion** *(20th Century-Fox)*	5	1

Cash in on exhibitors' p-o-p items with World's Fair theme

By Stephanie Flory, associate editor

KNOXVILLE—Retailers can latch onto profitable publicity by tying point-of-purchase materials to products displayed at the Energy Saving House at the 1982 World's Fair. The house features power-saving products from Speed Queen, Kero-Sun, National Presto, Patton and Fedders/Climatrol as well as other suppliers.

Some 5,000 to 8,000 people are visiting the house daily, according to Larry Heard, chief executive officer of Conergy, which coordinated the display. Audio/visual presentations offer energy-saving tips and visitors are invited to fill out a card to obtain further information about products in which they are interested.

The World's Fair will be open until Oct. 31. However, retailers can continue to capitalize on this product exposure by:

- Placing point-of-purchase materials related to the World's Fair with products which are shown in the Energy Saving House. Many suppliers are providing easel cards, banners and even pot holders emblazoned with the World's Fair logo;
- Using a World's Fair theme to advertise products displayed in the house, and
- Obtaining video modules and presentation equipment from Conergy in Knoxville to use for in-store displays. For example, a one-minute segment might show customers how to interpret the energy-rating tags found on washing machines.

About 50 manufacturers of residential products that can conserve energy are exhibiting items in the house, Heard pointed out. Each supplier paid $20,000 to $50,000 to participate in the exhibit.

"The Energy Saving House allowed suppliers to collaborate on a cooperative basis," he commented. "A single company would have had to shell out a minimum of $500,000 to present a separate exhibit during the fair."

Among the exhibitors in the house, Speed Queen is showing washer HA 6001 and dryer HE 7000. The two units are being promoted together as the "Fair Pair," according to Arthur Ellis, advertising and sales promotion specialist.

"We have a strong program available for dealers," he stated. Speed Queen will provide ad mats which picture the units and say "featured in the Energy Saving House at the 1982 World's Fair." Radio ad copy is also available.

P-o-p items available

In addition, dealers can opt to purchase 100 banners for $10, 100 hang tags for $8, 25 easel cards for $10, 100 buttons for $12, 50 pot holders for $25 or 500 balloons for $30 to promote the units. Co-op funds can be credited towards purchases.

"Fair Pair" T-shirts are also available. The cost for adult shirts is $4 and a child's shirt is $3.50. Minimum order is one dozen pieces.

"The products displayed in the Energy Saving House have evoked a good response from Speed Queen dealers and distributors," Ellis stated. "We've already seen a marked increase in sales."

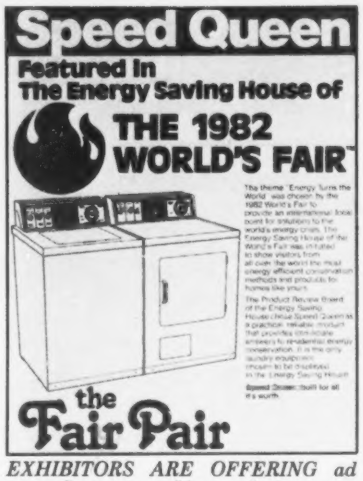
"The World's Fair has a synergistic effect on sales," explained John Nasif, director of sales promotion for Kero-Sun. "Everyone realizes the importance of the fair. People relate well to items displayed there."

Kero-Sun is showing a vented heater system, Monitor 30, and the Sunstream portable heater in the Energy Saving House. "Dealers should display these products in their stores and play up the fact that they are displayed at the World's Fair," he suggested. Print reproduction material is available to interested dealers.

National Presto is featuring a pressure cooker and quartz heater model 7870 in the house, according to Walter Tyberg, vice president of sales. "The Energy Saving House exposure provides tremendous advertising potential for both products," he stated.

Point-of-sale materials for the pressure cooker and quartz heater are available. Dealers can also obtain ad mats from National Presto to promote these products.

To boost sales of its ventilation and heating products, Patton is exhibiting the Heater Plus Fan line and the Window Plus Floor line of fans, stated William Hunt, vice president of marketing.



EXHIBITORS ARE OFFERING ad mats, banners, t-shirts and giveaways emblazoned with the World's Fair logo to retailers.

The World's Fair insignia will appear in ad mats for Patton products. In addition, a 30-second television commercial was test marketed in California for six weeks. Patton products shown in the house were promoted in the commercial.

Fedders/Climatrol is presenting a heat pump/water heater in the house. The unit can reduce water heating costs by 50 percent, according to Jay deSibour, director of advertising. Suggested retail is $600.

The firm is also exhibiting the vapor compression device, which operates as a solar product or off of ground water. It can be used as an air conditioning unit or for heating. It is available in four sizes, and suggested retail prices range from $1,200 to $3,000, deSibour stated.

Educates consumers

To continue to educate consumers about energy conservation after the World's Fair ends, Conergy has developed an in-store video module which features products displayed in the Energy House, according to Heard. Conergy will lend interested retailers the necessary hardware—a television screen, an Apple computer and a videodisc player.

The system will provide a "menu" of various categories of energy conservation, Heard explained. "If the consumer pushes the button for appliances, for example, he will see a list of those on display in the Energy Saving House. Then the consumer may select "washer," and next push the button for a certain manufacturer.

A one-minute presentation on various energy-saving topics is provided by each participating supplier. For example, a major appliance manufacturer might show a spot on how consumers can interpret tags on washing machines.

Currently, Conergy is testing this system in home centers. "It should be available to other retailers this month," Heard said.

Dealers must pay a small fee to obtain the video module. The equipment to play the module can be borrowed from Conergy for six months.

The module and equipment are available on a limited distribution basis. Interested retailers can contact Larry Heard at Conergy at 615/584-2178.

DOE says 'no' to mandatory standards for appliances

By Bob Gatty,
Washington correspondent

WASHINGTON, DC—In a move applauded by industry, the Department of Energy (DOE) has proposed dropping the idea of mandatory energy standards for home appliances. The plan was launched during the administration of former President Carter.

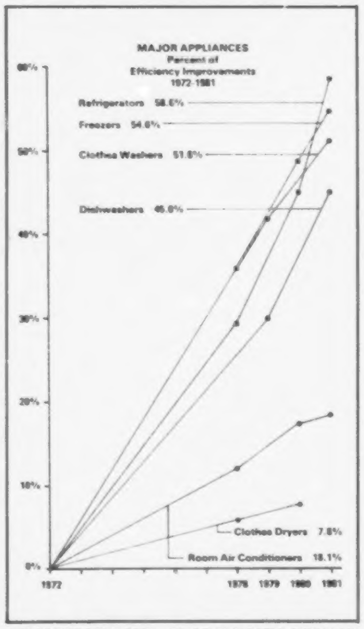
The 1978 National Energy Conservation Policy Act required the department to set conservation standards or to determine that none are needed. The DOE has thus determined that mandatory standards would neither be cost-effective nor would they result in sufficient energy savings to justify imposition.

If the DOE makes its ruling final, it will not, however, affect the EnergyGuide labeling requirements of the Federal Trade Commission (FTC). New appliances must bear a label showing the amount of energy needed to run them and the energy costs for comparable models.

Appliance manufacturers have long contended that free market forces are all that is needed to spur development of energy-efficient appliances. They point to the great strides made over the past decade and are confident this trend will continue as consumers become more energy conscious. The FTC labels are sufficient requirements, they say.

AHAM backs DOE

"We agree with DOE's findings that standards are not needed," said Marian Johnson, director of public and consumer relations for the Association of Home Appliance Manufacturers (AHAM). "The main reason is that we feel the industry has demonstrated that it is serious about improving the energy efficiency of its products."



SIGNIFICANT IMPROVEMENTS were made by manufacturers in appliance efficiency from 1972 through 1981, as shown in the chart above.

Johnson had figures to prove her point. Data compiled by appliance manufacturers and submitted to the government showed dramatic improvement in energy efficiency from 1972 to 1981. Refrigerators improved 58.6 percent; freezers 54.6 percent; clothes washers 51.6 percent; dishwashers 45 percent, and room air conditioners 18.1 percent.

In the same 10-year span, electric rates jumped 63.2 percent and gas rates increased 132.5 percent.

The FTC labeling program has increased consumer awareness of product efficiency. That, coupled with ever-rising energy rates, said Johnson, will lead consumers to demand more efficient appliances. She pointed to appliance ads which now prominently feature energy saving data.

AHAM believes energy standards would unnecessarily impose a double financial burden on consumers. As taxpayers, they would pay for the development and implementation of the program and as consumers they would bear higher retail costs as manufacturers pass on compliance costs.

Vendors mix standards

Industry sources are firmly behind a "no standards standard" and echo Johnson's reasons.

"There is ample evidence that people are turning to energy-conserving products without regulation," said Russell Sasnett, manager of regulatory relations for General Electric.

And mandatory energy standards could boomerang, cautioned Michael Thompson, manager of government relations for Whirlpool.

"Clothes dryers and ranges operate at near 100 percent efficiency right now," he said, adding that energy standards might result in a loss of features in appliances.

For example, eliminating an oven window might increase the energy efficiency of a range, he said, but without a window, the cook is more likely to open the oven door to check the food—thus losing any energy saved. More insulation might help efficiency, but it would probably come

(Continued on page 58)

Servicing and selling refurbished trade-ins provides 30 percent of net profit for dealer

By Nancy Markov, managing editor

SAN DIEGO—"We take appliances on trade-in, then refurbish, service and sell them," said Warren Thompson, president, San Diego Appliance, Inc. "It's an area where the mass merchants don't dare to venture."

Tactics like this keep the one-unit operation afloat in a market area which, Thompson said, has witnessed the fallout of six independent appliance/TV dealers in the past year due to extra-competitive pricing and the high cost of operations.

Margins on new appliances are tight, he commented, ranging as low as 14 percent at times. Reconditioned models, on the other hand, "are considerably more profitable." Consequently, this category represents about 10 percent of the store's gross income, and 30 percent of the net profit.

Just about any appliance a customer wants to trade in is accepted at San Diego Appliance. Then a crew of eight servicemen begin cleaning, scraping down, repairing and refinishing the units to get them ready for resale.

If an appliance is just not worth fixing, its usable parts are cannibalized for other models.

The appliances are advertised up to three times nightly during late-hour TV shows with Thompson himself starring in the spots.

Takes trade-ins

San Diego Appliance takes most of the appliances customers offer as trade-ins but qualifies the value based on a number of questions the customer is asked while he is in the store.

These include: How old is the appliance? What brand is it? What condition is it in? Was it serviced recently? Why is it being traded in? and Are any parts broken?

"We don't travel to appraise the appliance," noted Thompson. "If we find that the customer hasn't told us the truth about a unit, we just won't accept it. It's like any contract."

The appliance's size, manufacturer and condition are all taken into consideration when determining how much the customer is paid. But generally, a washing machine will bring the customer about $20; a gas dryer, $35; an electric dryer, $15, and a working refrigerator, $40 to $80.

"We put in the parts, the labor and then sell it with a guarantee," reported Thompson. The reconditioning costs plus trade-in allowance generally amount to about half of the retail price.

The entire lot behind the store sports rows of appliances awaiting attention. It looks much like a used car lot.

The work, however, takes place in the 10,000-sq.-ft. service department in the back of the store.

Up to eight people work in the service and reconditioning area where appliances receive whatever treatment they need. Ranges, for example, are treated to an acid bath to remove grease and are then reassembled.

There is a "check room" to see how well each appliance is working. Parts from non-working machines are cannibalized for use on models in better condition. Where necessary, appliances are scraped down, refinished and painted. Pointed out Thompson, "Where else can a customer find a 1950's refrigerator in a contemporary color like almond?"

Up to 50 percent of the store's 15,000 sq. ft. of display space is allocated to used appliances, so customers have a large selection to choose from.

Those who purchase a used unit are given a 90-day warranty on parts and labor on the appliance as well as a 30-day exchange option on the model they buy.

Promotes on TV

"Would you like to buy a 1976 refrigerator?" is the type of approach used in Thompson's TV commercials. He promotes the used appliances in the spots himself, dressed as a serviceman.

Two to three spots are run per night, during the late hours between midnight and 6 a.m. when the rates are down. The cost per 30-second spot is $25.

While one may question the size of a late-night viewing audience, enough people are watching, said Thompson. "We've been advertising this way for 15 years."

A 1950'S REFRIGERATOR in a contemporary color like almond is just one of the refurbished units that consumers can find at San Diego Appliance. Used models are scraped down, refinished, painted and serviced, and then sold at profitable margins.

Consumers would end up paying for energy standards

(*Continued from page 56*)

try is constantly striving to improve energy efficiency on its own. He also warned that standards would place a heavy financial burden on manufacturers and eventually on consumers.

"I don't know what standards this administration might propose," he said, "but two years ago a different administration proposed standards that would have cost Whirlpool $121 million in additional compliance costs. Industry-wide compliance costs could have run as high as half a billion dollars."

Thompson compared Consumer Price Index figures for the past 10 years to show that manufacturers have made strides in energy efficiency without dramatic rises in cost. The CPI for energy costs has risen 258 percent while goods and services have increased by half that. The CPI for appliances, however, has risen only 55 to 60 percent, he said.

In designing and manufacturing appliances, energy is only one factor to be considered, albeit an important one, noted Thompson.

"We are in the best position to get the most efficiency out of a product for the lowest cost," he said.

Studies done by Whirlpool on a product-by-product basis indicated that standards weren't economically justified and that no significant energy savings would be made.

State standards opposed

Manufacturers are anxious for the DOE to state clearly that no standards are necessary in hopes this will stop state efforts to establish their own mandatory rules. Several have already done this and others are considering them.

"The danger is having a patchwork quilt of 50 state standards," said Walter Bennett, manager, press and public relations of GE's Major Appliance Division. "It would be extremely difficult for manufacturers to comply with them. If the DOE, with all of its resources and investigations, decides that standards are not needed, why should it have to be done in the states?"

Agreeing that complying with differing state standards would be "horrendous," AHAM's Johnson declared, "Despite claims of states rights, the DOE has a rightful role here. Interstate commerce is involved. The DOE's ruling will establish a national forum so states seeking an exemption can present their case and the manufacturers can present their side. The door remains open for special cases."

Thompson said he believes that no standards regulation will be adopted, but he foresees lawsuits by conservation groups, some of whom have been urging the DOE to establish requirements. Some have charged that foreign imports outperform domestic models in efficiency, a claim manufacturers vigorously deny.

In addition, the DOE's expected final decision not to establish a standard has stirred some congressional interest, according to DOE spokeswoman Barbara Flemming. As a result, she said, there may be some changes in the DOE's final decision, "but I don't think they will require standards."

Thirteen product groups are affected by the ruling. They include refrigerators, refrigerator/freezers, freezers, dishwashers, clothes dryers, water heaters, room air conditioners, home heating equipment, televisions, kitchen ranges and ovens, clothes washers, humidifiers/dehumidifiers, central air conditioners and furnaces.

ROWS OF APPLIANCES, awaiting service and refurbishing, fill the lot behind San Diego Appliance, says Warren Thompson, president.

Major Appliance Trendings appears on page 8